

JPRS-WER-84-052

30 April 1984

West Europe Report

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FOREIGN BROADCAST INFORMATION SERVICE

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FAROES PARLIAMENT ANGERED BY EXPLANATION ON NARS FACILITY

Copenhagen INFORMATION in Danish 23 Mar 84 pp 1, 14

[Text] The Lagting is not satisfied with the Foreign Ministry's explanation that the American base is of a purely technical character.

The chairman of the Republic Party on the Faeroes, Erlendur Patursson, thinks it is probable that the Faeroese government has been deceived in the matter of the American NARS facility 20 kilometers from Thorshavn.

At a meeting Wednesday in the Faeroese Lagting, it was decided that the matter will now be thoroughly investigated.

Patursson is dissatisfied with the contents of the official report from the Danish foreign office in which it is said that the agreement of 1963 between the Danish and the American governments is of a purely technical character.

No leading politician on the Faeroes -- including Speaker Pauli Ellefsen -- knew that the so-called troposcatter facility at Sornfelli was operated by the American air force and has served purely American interests for 20 years.

After INFORMATION revealed this American communication station last week, the foreign office sent out a press release saying that the agreement concerned an American-run NATO radio relay station and that the agreement had not been presented to the Folketing since it was of a purely technical character.

"It is not true that the agreement is purely technical," Patursson said, and this was confirmed by Foreign Minister Uffe Ellemann-Jensen in the Folketing's question and answer period Wednesday.

Ellemann-Jensen said that the purpose from the start was for the purely American-run station to serve specifically American goals in addition to serving the adjacent radar station.

Completely Informed

In reply to a question from Keld Albrechtsen (VS) the foreign minister answered that "the Faroese authorities have naturally always been completely informed about the contents of the agreement."

The Lagting now wants to know everything about how and to what extent this has happened.

At the meeting Wednesday the national ombudsman on the Faroes, Nils Andersen, could report that the agreement was presented to the Faroese government (government review) in 1961.

"The Lagting was not satisfied with only knowing that the government was informed in 1961. The matter will now be thoroughly investigated in the market committee, where we want to get to the bottom of what form and content the information was presented in. If the government was told that it was a purely technical agreement, then I think the government has been deceived."

Patursson also finds it regrettable that the agreement was not presented in 1963 when it was signed by the Danish and the American governments.

"I can guarantee that this did not happen, because I myself sat in the government in 1963."

Patursson says that there was great agreement in the Lagting on sending the matter for thorough investigation to the market committee. "We want to know quite clearly what function the facility has, how the individual courts have reacted -- both the Danish and the Faroese -- and precisely what orientation and what clarifications the government received."

Moral Right

The question of the American base has led the Faroese member of the Folketing, Oli Breckmann, to ask the prime minister "how far the Danish government is prepared to respect the Faroese authorities' moral right to be heard in defense matters." Breckmann thinks that the government will open negotiations with the Faroese government on an agreement on the future role of the Faroes in connection with defense and NATO.

"The recent debate about a possible secret listening base on the Faroes has made a negotiation and mutual agreement between the Faroes and Denmark even more essential," the argument says.

Breckmann thinks that it is not proper that the Faroese authorities under present circumstances are not being asked and are not receiving the necessary information.

Breckmann, who is known for his anticommunist views, says in justification of the question "that the Danish government can expect a cooperative attitude

from the Faroese side on the Faroese responsibility to take part in the defense of the West."

Patursson strongly disagrees with the last statement. He points out that the Lagting as late as February adopted a statement expressing the wish that the Faroes keep completely away from all alliances.

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CSO: 3613/127

PARTIES ON LEFT FORM MAJORITY IN DEMANDING CHANGED NATO TIE

Copenhagen INFORMATION in Danish 23 Mar 84 p 5

[Text] But the Social Democratic Party does not want to support the security policy effort of the left wing against new NATO strategy.

The necessity for expanded policy control in NATO military planning was strongly advocated by the spokesmen of the so-called missile majority parties, as the Folketing had three security policy debates on Thursday.

But the Social Democrats, the Socialist Left Party, the Socialist People's Party, and the Radical Liberal Party could not agree on a concrete position on the problems discussed, and Arentoft from the Progressive Party called it an historical day, because the Social Democrats again joined in a large majority behind Danish security policy, which includes the nonsocialist parties.

The first item on the Ting's agenda was an inquiry debate presented by the Socialist Left Party and the Socialist People's Party, which wanted Denmark's participation in NATO's consideration of changes in military strategy toward a more offensive direction clarified.

Change Not Timely

Defense Minister Hans Engell stated that the strategy of flexible response of 1967 was still in effect, and that "there is no proposal in NATO to change it." The current debate is, according to Engell, the result of connection with "proposals and thoughts" about changes of doctrines "within the strategy in effect."

The defense minister reviewed the current work in NATO with the investigation of new technology and new doctrines, "which will in no way change the condition that NATO will never be the first to use armed force, and if NATO should be attacked, its mission will be limited to regaining the lost territory and **stopping** the struggle -- not to take over the enemy's territory." Engell also said that one must carefully consider the consequences that technological improvements can have for the execution of effective weapons control on the basis of mutual agreements with the Eastern countries.

The defense minister also stressed that "work in NATO is taking place under the necessary political control," in that neither new strategy nor essential operative and tactical concepts can come into effect before they are approved politically on the minister or ambassador level.

Greater Control

The missile-majority parties were somewhat less satisfied with the existing political control.

Social Democrat Lasse Budtz said that if there are military experts in NATO planning preemptive attacks on the East, then "political control must be sharpened and very probably expanded." It "seems quite reasonable and logical" that after being attacked, one will attack the enemy in return or direct an attack behind the lines. But "it is however, less reasonable that one quite seriously in the planning stages should work with a rapid use of tactical nuclear weapons and chemical weapons."

Budtz said that "this planning makes it even more necessary to assure the most careful political control, because the thought of a limited nuclear war obviously still lives on, even if to many of the rest of us it seems to be absurd."

Budtz also criticized the belief that conventional armament can reduce the danger of nuclear war.

Sausage

Pelle Voigt (SF) answered the defense minister's statement by saying that NATO's strategy "is a sausage that one can put many different things into and still call it a sausage." He, Jens Thoft (SF), and Keld Albrechtsen (VS), with frequent resort to citations from American military journals and handbooks, commented on NATO considerations, which in their opinion point toward a new and more offensive strategy in development.

Arne Stinus of the Radical Liberal Party did not find it remarkable that one is considering a changed strategy in NATO, but he said that what has been made known publicly up to now is "so disturbing that it is now necessary to take a political position."

Therefore his party wants to support a proposal made by SF and VS. It says: "The Folketing urges the government to begin a wide, public debate on the disputed new military doctrines in NATO, and until this debate is concluded and the matter is again dealt with in the Folketing to assure that Denmark in no way supports or cooperates with the development of new offensive doctrines such as 'the deep strike.' At the same time, the government is urged to continue the debate on NATO's strategy of 'flexible response' and the possibility it contains for the first use of nuclear weapons."

Arrogance

Lasse Budtz agreed with many things in this proposal, but he nevertheless made another proposal on behalf of his party, in which the Folketing would confirm that "Denmark's membership in NATO now as before is built on the fact that NATO is a defense alliance of defensive character."

The government parties only took part in the debate with a simple common statement that supported the defense minister's report. Gert Petersen (SF) found this statement arrogant, and he recalled a debate in May 1979 in which NATO's missile project was only the subject of very short statements from various leading parties because one found the subject not to be timely. He said he was convinced that the governing parties will later receive a "painful experience" because they too should have paid more attention to the matter.

He criticized the Social Democratic resolution because it simply did not consider the day's agenda and said that no matter what happens, NATO will always be called defensive by the supporters of the alliance.

The Social Democratic resolution was accepted with 110 votes for and 20 against, because the Radical Liberal Party also found the Social Democratic proposal acceptable, because it stressed that NATO must remain a defensive alliance.

Advance Orientation

Increased parliamentary-democratic control of Denmark's participation in NATO was the aim in a proposal to the Folketing, which VS put forward under the next item on the agenda. One wishes the Folketing's defense committee called in before all defense minister meetings in NATO, so that its members can have advance orientation. The proposal was rejected by the defense minister and the governing parties. The Social Democratic spokesman, Poul Sogaard, said that the defense committee is not the correct forum, since the members cannot have access to confidential sectors, but he would like to see a wider orientation of the foreign policy board. The Radical Liberals shared this skepticism about the applicability of the defense committee, but he looked forward to the work of the committee with the proposal, because they want to get rid of all the secrecy.

Finally, the Folketing dealt with a proposal from VS, which wanted Denmark to work for all nuclear powers definitely denying their right to the first use of nuclear weapons. This proposal was rejected by the government parties and the defense minister. Lasse Budtz said that his party is a member of an international treaty on non-first-use. But it was difficult for him to see how it could be carried through. First of all, the Social Democratic Party wants to work toward the establishment of a Nordic nuclear weapon free zone.

RIFT IN SDP OVER NATO ARMS POLICIES WIDENS

Copenhagen INFORMATION in Danish 24-25 Mar 84 p 7

[Commentary]

[Text] Right wing follows up victory in struggle on the party line with an attack on Ritt Bjerregaard

"Infamous, poisonous, vulgar," -- with this characterization, editor Preben Bengtson of the Metal Workers' Union attacked his party colleague Ritt Bjerregaard Thursday in AKTUELT because she called her Folketing colleague Robert Pedersen a "custodian, who -- together with other elder gentlemen -- guards the exhibits in the Social Democratic museum," that is, the traditional security policy.

At a group meeting Thursday morning, Anker Jorgensen distanced himself from the tone of the debate between Robert Petersen and Ritt Bjerregaard in AKTUELT. For many in the group it was a clear signal that the disagreement in the party on security policy should not be aired publicly. But just the same, former minister Egon Jensen said in the Friday issue of JYLLANDSPOSTEN that he is well satisfied with the attack on Ritt Bjerregaard made by Peter Bengtson.

The personnel count has reached a point where the party's right wing has, in the opinion of the left wing, assured itself of a victory.

During the latest security policy debates in the Folketing, the Social Democrats have broken many months of common front with SF, VS, and the Radical Liberal Party, and representatives of the nonsocialist parties have said in their joy that the broad traditional majority behind Danish security policy has been restored. As far as INFORMATION has learned, the reason for the changed course is that the party wants to concentrate its forces in an effort against nuclear weapons, and one wants to show that VS and SF cannot "order the Social Democrats around," as a prominent party member put it.

But the party's left wing feels that the party is rapidly on the way back to the security policy that existed until the missile discussion began in 1979.

Untrustworthy Party

The argument was begun after Ritt Bjerregaard in AKTUELT had explained her participation in a new peace fund. Robert Petersen, who is an opponent of the security policy line that has been expressed by the so-called missile majority proposals, reacted with a statement in which he said that the word of the Social Democrats no longer "could be trusted." He directed his criticism against Ritt Bjerregaard, because she has had an "all too large a part" in the "collapse of our security policy," expressed in the proposals.

Ritt Bjerregaard answered with a feature article in which she said that Robert Petersen stood completely alone in the party, and that he has not changed his position since Denmark's entry into NATO. "He is of the same opinion he was then during the time of McCarthy and the Cold War," she added.

For Robert Petersen and "with him many others," the important thing is to hold fast to the opinions of one's youth for the rest of one's life," Ritt Bjerregaard added. "This is what Robert does, and it is possibly somewhat proper and safe for older gentlemen to have such steady principles. But it is quite clear that such things are not at all proper for a political party."

She criticized this tendency in the party: "It has been much too difficult for us to see that the world has changed. We simply stick much too closely to what good party members have set up -- years ago."

NATO Amoral

Ritt Bjerregaard directed a sharp attack on NATO policy: "NATO -- and therefore we also in the Social Democratic Party who support NATO -- has come to stand for a policy of terror that is either amoral or untrustworthy, and should not be supported. The policy of terror is amoral if one seriously believes that there will be a nuclear war in Europe. What kind of cause can survive a nuclear war's being fought in its honor? What kind of freedom will the survivors of a European nuclear holocaust have if they "win"? If, on the other hand, one wants the nuclear bombs in Europe only to deter the Russians, then this is an untrustworthy defense, and it is hardly much better than an amoral threat.

"We, who are members of a defense within NATO have the duty to see to it that flocks of old men of Reagan's age and of those in the Politbureau in the Soviet Union do not hold to their unchangeable, stubborn opinions," Ritt Bjerregaard wrote, and ended with thanks to the peace movements, because they have gotten the Social Democrats moving.

This statement brought forth an article by Peter Bengtsson with an attack on Ritt Bjerregaard, who is extraordinary in her naivete. He finds it "amusing" that precisely Ritt Bjerregaard appears in the role of "defender of small children." He characterizes her article, among other ways, as follows: "Poison from a poisonous snake, such base infamy as never has been seen earlier among people who on paper claim to be party colleagues and of whom many are otherwise not so touchy." Ritt Bjerregaard is seen in the article as "a fine lady with a large and aristocratic vocabulary acting as if she were a vulgar street tart."

CONCERN OVER DEFENSIVE CAPACITY AGAINST CHEMICAL WARFARE

Amsterdam ELSEVIERS MAGAZINE in Dutch 24 Mar 84 p 20-24

[Article by W.G.J. Bavelaar: "Chemical Weapons, Netherlands Practically Unprotected"]

[Text] In the cold, distant usage of the professional military, they mention the "military advantages of the use of chemical weapons." The use of these ruthless war gases has four possible results "which could be very favorable for the military and even make it attractive to use these means," as reported in the investigation "NBC [Nuclear, Biological, Chemical] defense of the NOV [Netherlands Officers Association] published last year. Those advantages are then: they create much more fear than conventional weapons, the effect on morale of quick acting, invisible, extremely deadly and odorless gas can be especially great; these weapons only wipe out living beings, not equipment; and chemical weapons can be effective over great distances, the target does not even need to be hit to eliminate it.

The report in question was published a year ago, but was practically unnoticed outside its own circle. "In the past year, the circumstances have hardly changed: the report's findings are still valid, unabridged," a NOV spokesman says. The reason for the investigation was the doubt already existing in the association for some time and also concern about the question to what extent the members of the Dutch armed forces are adequately protected if they are involved in combat where chemical weapons are used.

The impressions of the officer association do not lie about it. The investigators came to the conclusion that the threat and the danger of chemical warfare are not sufficiently recognized, that chemical defense only exists among the officers in the lower ranks and is not connected with all aspects of command and defense preparation. The desired knowledge and skill do not exist on all levels; appropriate defense facilities are lacking "to a

considerable extent," especially for chemical detection/warning/alarms. Too little is done in the genuine creation of a "high chemical threshold."

It is recognized even at the Ministry of Defense that the warning systems in use are unsatisfactory: not rapid and not accurate. Yet in the memorandum explaining the 1981 defense budget, "studies and investigation" were reported. The investigators ascertained "nothing was to be found of further undertakings in this field." For NBC equipment--consequently also for nuclear and biological/bacteriological defense measures--220 million guilders were earmarked for the years 1981-1991. Nothing was reported for the royal land forces and the two other branches of the armed forces. The long drawn out process of study and decision making and the not very rosy financial prospects impede rapid technical developments in the production of chemical weapons and the reactions to that in the form of defense measures. According to the NOV, "it is not easy to realize that such a thing can have extremely devastating effects for personnel." Defense itself admits that it is alarming that the Soviet Union has an extensive capacity for chemical warfare. "The soviet armed forces maintain large supplies of chemical weapons and are well trained in their actual use," wrote De Geus, the minister at that time.

The NBC working group of the officer association is revealing many facts about the situation. The Soviets, so it appears, have a very great variety of means of using chemical weapons. Western experts think that in the East Bloc countries, 30 percent of all artillery ammunition and 50 percent of rocket explosives consist of chemical charges. Depending on the targets to be hit, there is a choice of means with very different ranges. There are tactical and operational weapons. The tactical include all types of artillery with a caliber over 100 mm. The most suitable guns are the 130 mm cannons with a range of 27 km and 152 mm howitzers with a range of 17.4 km. It is true that the range of the latter weapon is shorter, but it is compensated by the fact that the weight of the shell is about a third more than the 130 mm guns. It is assumed that the shells of the 152 mm weapons contain about 3 kg of chemical warfare agents.

A unit with 18 guns can fire 270 kg of chemical combat agents during an effective fire of one minute. An "ideal medium" for shooting sarin is, for example, the BM-21 multiple rocket launcher, which has a range of 20.5 km. A detachment, which in this case would consist of 18 units, can fire 170 shells in 30 seconds. That amount is sufficient to kill all life in an area of about a square km. Moreover, the detachment can reload very quickly, so that large concentrations can be built up in a short time.

Meanwhile newer and heavier multiple rocket launchers are being developed such as the M-1977. These would be suitable for shooting, among other things, of Prussic acid/chlorine-cyanogen. Weapons exist also for more distant targets. In this connection we should mention FROG [Soviet Surface-to-Surface Missile], a weapon which appears on the division level and has a range of 65 km. With this weapon 220 kg of chemical warfare gas can be fired. For even greater distances, SCUD [Soviet Surface-to-Surface Missile] is available at the army level. This weapon has a range of 280 km; the charge presumably has 440 kg of combat gas. Finally on the front level SCALEBOARD [expansion unknown] appears with a range of 800 km.

Both the tactical as well as the operational ground to ground weapons systems can be supplemented with air support. Each of the three airplane types which exist for this purpose in the Warsaw Pact countries can transport a "useful" load of 4,000 kg, whereby most targets in Europe can be covered. Instead of dropping bombs with a chemical charge, they can also use aerosols, depending on the weather. If this method is used, the plane itself does not need to be over the target.

A Horrible Prospect

Of the NBC deterrents, the N of the nuclear weapon enjoys the greatest public attention until now. Less attention is paid to biological weapons systems. Eight years after the conclusion of the international treaty banning biological weapons, the Dutch government sent a bill to the chamber in which the development, production and possession of materials which can be used as biological weapons, are placed under government supervision. It is a question here of bacteria, moulds, viruses, serums, vaccines and weapons, which can be used for peaceful, but also for military purposes. Biotechnology now makes it possible to create new biological weapons by manipulating inherited qualities (DNA recombination technology). Vaccines can be made to protect your own personnel, while using such a weapon. American investigators fear the race in this type of weapons is encouraged by this procedure.

In the Netherlands, no DNA research is done for or by defense. Moreover, biological weapons have already been known for a long time, but they are not used. Their dispersion is complicated and their tactical value is very uncertain.

This is otherwise in the case of chemical weapons. In recent years plenty of ideas have been exchanged on that subject at international forums in which the Netherlands played an active role, uneasy as it claims to be about the new generations of

chemical weapons through the ministers De Ruiter (defense) and Van den Broek (foreign affairs). Shortly after his inauguration as president Ronald Reagan announced a drastic increase of expenditures for the production of chemical weapons. In so doing, he left the path which the United States had followed since 1969, when President Nixon stopped the production of chemical weapons.

The new weapons which are being developed have binary charges. It involves here shells which consist of two spaces which contain relatively harmless materials. After firing, the materials mix, whereby a deadly nerve gas is created. The Netherlands is very anxious about that and has continuously pleaded with the Geneva Disarmament Commission for a ban on the development, production and storage of chemical weapons. Last week, the Netherlands delegation at the UN Conference on Disarmament in Geneva proposed creating an organization which would supervise the observance of an agreement to be concluded on banning chemical weapons. Such an international commission would have to operate in the same manner as the International Atomic Agency, which supervises the peaceful use of atomic energy.

The Dutch delegate, J. Ramaker, estimates that the commission needs 350 people in the next 10 years, who are to work for the destruction of supplies and facilities to make these weapons. He is in a slightly positive mood about the concession which the Soviet Union made last month on the point of allowing control of the observance of a ban on the possession of chemical weapons. There will still be a long way to go; western observers estimate the soviet supply is 300,000 tons, a rough estimate. It has been found out that the Warsaw Pact trains regularly for chemical warfare and that it gives more attention to protective measures than NATO countries. Moreover there are constant reports on the use of chemical weapons in Laos and Afghanistan, in which the suspicion points to the Soviet Union.

The NOV continues to be concerned about these protective measures. According to it, it is certainly not to be excluded that a future military conflict will begin with chemical warfare. In each case, it is thought that the surprise use of chemical weapons at a very early stage must be considered. When the investigators draw up the balance, they confirm indeed that "something" is actually being done about chemical defense, knowledge of the subject, warning and protection. The enumeration of that is limited to a few necessary activities; the list of shortcomings is impressively long in comparison with that.

A summary of the findings is as follows. The Dutch armed forces lack a defense doctrine; it is not clear what can and must be

done to neutralize the effects of chemical warfare. The knowledge of what could take place is generally scanty. Little is undertaken to foresee this deficiency. During the education, especially the higher education of officers, nothing is done on the subject "command, tactical and logistical operations under chemical circumstances." The chemical aspect is obviously not included in training, but is regarded as a special, mostly inconvenient feature. The "impact" on training is not considered.

Vacancies in the NBC officer positions are too easily accepted by the leadership. The equipment to discover chemical weapons is developed slowly, too slowly. The equipment projects already have dragged along many years, without any clear result. Because of the lack of equipment the reporting and warning system operates inefficiently, with the result that full protection will not be reached in time.

In one of the Ryswick INO [Netherlands Central Organization for Applied Natural Scientific Research] buildings, Dr A.J.J. Ooms heads 70 scientific experts who work on research on measures to provide the military--and to a certain extent also the citizens--optimal protection in case of chemical attacks. Dr Ooms is director of the Prince Maurice Laboratory, which is a part of the TNO's main group for defense research, formerly called national defense organization/TNO. Besides Mr Ooms is a member of the Dutch negotiation delegation in Geneva and has struggled for years to make the reduction of chemical weapons a success. Nevertheless, he and his team keep busy on a broad research program: Alarms, detection of combat gases must be improved and much can still be done to protect people with better gas masks, and more durable clothing; they are studying the decontamination of vehicles and houses, how contaminated water can be converted into drinking water again, what remedies must be used and in the immaterial field, what verification opportunities, in short controls, must exist, if an agreement ever will take place.

Dr Ooms considers the continuous search for protective devices of the greatest importance, discontinuing that can even have a bad effect, and certainly in the first place by aiming at the elimination of military opponents. The protection of the civilian population in gas attacks has always been relegated to the background or better said, is hardly considered in the Netherlands. The organization designed for this purpose, the BB [Civil Defense] is in a state of disorganization, as a result of the decision of the minister of home affairs, at the time, Hans Wiegel, tending to eliminate it. BB assignments in this field will be taken over by the regional fire brigades. Within a few weeks the new organizational plan will be revealed to the public.

Engineer W.M.J. van Dijk of the Fire Brigade Administration of Home Affairs, on being questioned about this matter, explains how the ABC service in question (the A still stands for atomic) of the BB being eliminated will be taken over by the fire brigades. The 800 measuring stations which record radioactivity and the presence of combat gases also belong to that. "Those stations will continue to exist and can give the alarm as rapidly as possible."

How giving the alarm is going to remain in its work is somewhat unclear. Sirens will begin to wail through an alarm network. But with that racket the citizen does not know what is up; siren codes--long, short, long; short, long, short--are not known by the public. "The citizen really does not yet have that information, I would not even know it myself. There are plans being made to start a new educational campaign--the previous one--about the danger of fall out--never had genuine success," says Eng Van Dijk.

The capacity of the underground shelters, as is known, completely inadequate, is intended for a limited group. "The basic protection is still the house. One can still find a reasonable protection in houses. Afterwards there must then be the question of calling off the alarm. The poison clouds outside are then evaporated, but in the houses, we must then work on ventilation."

Consequently there is hardly any mention of a reliable protection of the population in case of chemical and nuclear attacks. Eng Van Dijk can still report that large supplies of medicines are stored in the existing BB shelters. Their possession will soon be in the hands of the fire brigades. Consequently how all that will fit in with its work will be known shortly. Eng Van Dijk thinks, nevertheless, that the measures will have "most satisfactory" results. However, the time factor will be the most important. "It must take place as quickly as possible, giving the alarm and taking shelter; that can prevent dead and wounded. But actually, the people still do not know those measures."

8490

CS0: 3614/67

VVD, CHURCH COUNCIL CLASH ON CRUISE MISSILES

VVD Criticizes Churches

The Hague ANP NEWS BULLETIN in English 29 Mar 84 p 2

[Text] The Hague, 28 Mar--The Liberal (VVD) party strongly criticised the Dutch Council of Churches today for its letter to the cabinet and parliament earlier this week calling for rejection of cruise missile deployment on Dutch soil.

The party floor leader Ed Nijpels said the letter would lead to polarisation within the council's member churches and would only confuse Dutch churchgoers.

Nijpels said the Liberal party doubted whether the council reflected the majority opinion of the estimated nine million people which belong to its member churches.

The party also questioned whether it was right for the churches to express opinions on political matters, he added.

Nijpels was speaking after a meeting today between leaders of the Council of Churches and top Liberal politicians held at the request of the council whose membership includes the Roman Catholic Church and the two main Dutch Protestant churches.

'Excessive Optimism'

Nijpels said his party condemned the council's rejection of the missiles, adding that a lone Dutch gesture within NATO would not help prevent war.

The Liberal leader also criticised the council's letter for not mentioning the protection of freedom and human rights which he described as the aim of defence policy.

Nijpels accused the Council of Churches of excessive optimism where nuclear disarmament was concerned. Even if all nuclear arms were destroyed, nuclear weapons know-how would remain intact, he said.

Liberal MPs and Liberal cabinet ministers remained firmly in favour of deploying the full 48 cruise missiles allotted to the Netherlands under NATO plans, he said.

Churches Reject Deployment

The Hague ANP NEWS BULLETIN in English 27 Mar 84 pp 7-8

[Text] The Hague, 26 Mar--The Dutch Council of Churches rejected the siting of new nuclear missiles in the Netherlands today.

It said in a letter to the Dutch government and parliament that all nine churches on the council agreed that the use of nuclear weapons conflicted with God's law to protect creation.

Forty-eight cruise missiles are due to be sited on Dutch soil by 1986 under NATO plans to counter Soviet SS-20 rockets.

The synods of the country's two largest Protestant churches took a similar stance earlier this month.

The government is wavering over whether to accept all the missiles. Some members of the ruling coalition want to reduce the number. The cabinet is due to make a final decision by June.

The council, which includes the Dutch Roman Catholic Church and represents nine million people, first rejected cruise deployment in 1979 when the NATO decision was made to station new U.S. missiles in Europe.

East European Churches

The new statement reflects public opinion and increasing pressure on the government to decide against deployment.

In its letter the council said the arms race disrupted international relations and prevented the need to build up mutual trust.

Rejection of siting cruise missiles could help break the deadlock between East and West and would signal that the process of escalation can be stopped, the council said.

It said the council was strengthened in its stand against deployment not only by the World Council of Churches but also by the churches and Christians in East Europe who 'courageously make their own contribution toward halting nuclear armaments.'

CSO: 3600/26

ORIGINS, FOREIGN CONTACTS OF FP-25A

Lisbon O DIABO in Portuguese 6 Mar 84 pp 6-7

[Article by Noe Rodrigues: "Who's Who In 'FP-25A'"]

[Text] Could the "25 April Popular Forces" [FP-25A] have been the perpetrators of the holdup of the bank truck in Lisbon from which 108,000 contos were stolen? Could they have been the perpetrators of the assassinations of two customs guards in Algarve? Could FP have broad shoulders, serving as an "alibi" for a different type of activity? Have the authorities been incapable of detecting and keeping files on FP? These are questions that are posed today, which we shall attempt to clarify here. One thing is sure: The authorities have in their possession very important evidence on the so-called "Popular Forces," which in court may not be enough to bring about the necessary convictions, in spite of everything. The behavior of the police authorities is very closely linked with the observation of this fact.

For some time, the Judiciary Police refused to admit FP-25A's commission of the holdup that occurred in Lisbon, in which the sum of 108,000 contos was stolen from a "Group 8" security vehicle. Several reasons influenced the opinion of the experts: in the first place, the fact that the clues at first pointed in an opposite direction; the unusual delay of FP in taking credit for the action; the existence of strong indications that some of the acts attributed to FP were in fact not their doing; and, finally, the exhibitionism shown in the publication of the communique assuming responsibility for the perpetration of the holdup: a photo in which the money is beside the FP symbol depicted with bullets.

Nevertheless, within a short time the authorities and investigators changed their minds, and concluded that there was an FP network acting in the bank sector, from which information was emanating that made the holdups committed by "commando groups" possible. That network had been active for years, and proved to be efficient. The Judiciary Police have in their possession evidence affording them a rather clearcut notion of this network (one of those comprising the FP structure).

The exhibitionism shown by the FP in this holdup may reveal the adoption of new propaganda techniques also used abroad by both the Italian "Red Brigades"

and the IRA; which could even indicate that the FP are embarking on a new, still more violent phase of their activity.

Be that as it may, the fact that it has now been admitted that the FP were involved in the holdup of the "Group 8" vehicle does not mean that other clues that seem to be emerging with regard to the attack, are being abandoned. Nor does it mean an admission that other "criminal attacks" have been accepted as having been executed by this terrorist organization: To the authorities, it does not make sense that an organization with a "cliche" type vocabulary, disclosed in the communiques, should now be using less orthodox language, much less primitive weapons (buckshot) when, as we know, it has good weapons, and the ability to acquire them, thanks to the amounts stolen during the many holdups that it has committed.

The Origin of the FP

For some time, it was considered certain that the FP originated with members from various political organizations: the Revolutionary Brigades associated with Carlos Antunes and Isabel do Carmo; Armed Revolutionary Action (ARA), an outgrowth of the PC [Communist Party] (Jaime Serra, of the Central Committee, was the "supervisor"); and LUAR [League for Unity and Revolutionary Action], with which Palma Inacio, now a PS leader of the "Soarist" movement, was associated.

There are not yet any data to confirm this "alliance" Nearly all the known FP activists have a past linked with the PRP [Revolutionary Party of the Proletariat]. It is also admitted that individuals who had been on the periphery of Palma Inacio's organization in the past had joint participation in the action at Algarve; and the same thing could be said of the holdup of the "Group 8" truck.

There is every indication that the FP's main recruiting base is linked with the Revolutionary Brigades, an organization led directly by Isabel do Carmo and Carlos Antunes. Contributing to that conviction is not only the possible identification of FP militants, but also the technique for the bank holdups (following that of the Red Brigades), some of the weaponry meanwhile seized by the police forces as well as the meager known history of the "Popular Forces."

According to the information available, the latter originated from the split that occurred in the so-called Revolutionary Party of the Proletariat, during the imprisonment of Isabel do Carmo and Carlos Antunes. A third prominent leader of the organization, Pedro Goulart, escaped from the police dragnet and was not captured. On that occasion, militants who had been jailed decided to cooperate with the police (Placido, of Marinha Grande, and Dinis Lucas), providing very important information that made possible the virtual dismantlement of the Red Brigades; information which, unfortunately, was not heeded by the courts.

Divisions arose between the PRP's (imprisoned) leadership and the one which continued to ensure the party's continuity, associated with the need for shifting to legal activity, to the detriment of armed action, and with the liquidation of the traitors; for example, in the case of the assassination of Placido, in Marinha Grande, Isabel do Carmo and Carlos Antunes considered that death a "provocation," hampering the process of their defense in court. These major factors underlie the split that occurred in the PRP between the so-called "Third Congress" (Isabel do Carmo) and the movement that became linked with the United Workers Organization, FUP (Popular Unity Front) and the FP (Pedro Goulart's movement).

From what is known, the creation of the FP resulted from the action of Amilcar Romano, Antonio Guerreiro, Honorio Marques, Daniel Tavares and Luis Veloso Pinheiro. It was reportedly they who succeeded in preventing the liquidation of the Red Brigades, reorganizing them and projecting them for further action. They did so on the basis of individuals who had escaped and were being hunted by the authorities, with the legal backing of those who were continuing to operate in the OUT [United Workers Organization] and in Otelo Saraiva de Carvalho's FUP (in which Pedro Goulart was officiating).

Outside Assistance

There are strong indications that, in their beginnings, the FP had various kinds of backing from abroad, specifically:

There was, in Portugal, "Moretti," whose real name was Roberto Martelli, a militant in the Italian Red Brigades, arrested in our country after a tip from Interpol that he was located there. He reportedly had some connection with the assassination of the agent Carvalho, of the Judiciary Police (a crime committed by Massarelos, in Porto). Moretti was one of the "technicians" of the terrorism experienced in Italy, and had several backers in our country linked with the FP.

There were hiding out in Portugal militants from GRAPO [First of October Armed Revolutionary Group], an extreme leftist group responsible for several political assassinations, who had escaped from the Zamora jail. They were hiding in the Mertola region (Minas de Sao Domingos, in Martim Longo, to be exact, the site to which Honorio Marques went when he escaped from the Pinheiro da Cruz jail). It may be recalled that, at the time of the assassination of the GNR [Republican National Guard] agent in Alcoutim, following Honorio Marques' escape, two members of the German extremist group, "Baader-Meinhof," were detected in Algarve.

There are also known contacts between the OUT (which appears to be the legal branch of the FP) and the Irish IRA and ETA [Basque Fatherland and Liberty Group]. Otelo Saraiva de Carvalho, top-ranking leader of the FUP, for his part, was in Libya, where he obtained support. It should be noted that Qadhafi's Libya has been the leading financier of terrorist groups throughout the world.

Apart from this backing, the FP have had support from the OUT and FUP, which covered certain attacks politically, with the distribution of communiques; specifically, in the attacks triggered in Cruz de Pau and against Sapec administrators in Setubal.

The FP Organization

With abundant, efficient weaponry at their disposal (almost always arms stolen from the Armed Forces during the PREC (hence the little or no need for resorting to external supplies, despite the strikes made by the police authorities, who seized various kinds of weapons from them), and with large financial resources from the holdups, the FP have rather a perfect organizational technique: impervious groups of from three to five militants who, at times, can combine for more daring action. The plans for action learned about nearly a year ago indicated the possibility of action of this kind during a phase regarded as one of organizational "maturity."

The imperviousness of the FP has made police action difficult, and all the more so since the activists know each other only by aliases. The reorganization of the FP in 1980 improved this system. In the attempt to eliminate the terrorist organization, the authorities have met with various obstacles: imperviousness is one of them. The other one is related to the difficulty in submitting evidence in court. It should be noted that some of the most prominent leaders of the FP have already been brought to justice; but, in view of the latter's specific mechanisms, the accusations and depositions of the authorities' agents (who, meanwhile, have been killed by the pseudo-guerrillas) have not been taken into account.

Moreover, the political forces have acted with almost criminal negligence. Note should be taken of the pressure for the release of Amilcar Romano and Vitoria Soares (as in the case of Isabel do Carmo, C. Antunes and others), concerning whom the authorities had strong evidence of their prominent positions in the FP organizational structure. Blackmailed by "hunger strikes," the political forces became fearful, and the amnesties occurred. Under such circumstances, it becomes difficult to combat an unrelenting terrorism.

Finally, information leaks occurred, which put the terrorist organization on alert. It happened last week: A weekly publication disclosed certain information regarding the holdup of the "Group 8" truck, which may have delayed and damaged operations planned by the Judiciary Police on the trail of the perpetrators of the attack.

It is easy to recriminate the Judiciary forces under these circumstances, and it has a result: to upset even more the action of those who, at present, have the clues to the plot in their hands. It may be claimed that there are, within the "democratic" political forces, some who have a personal interest in this: the same ones who disseminated reports of the possible rolling of heads in the area in which these investigations are being conducted.

25 April Popular Forces

Manifesto to the Working People

1. The process started on 25 April constituted a hope for all of us exploited workers, because a considerable portion of the bourgeoisie's Army (revolutionary privates, sergeants and officers) have gone over to the side of the workers, reinforcing the just struggle that the latter are waging against capitalism.
2. The coup of 25 November, carried out by the bourgeois forces, with imperialist backing, succeeded in thwarting the advance of the workers and the consolidation of their conquests (nationalizations, workers' control, agrarian reform and popular rank and file organizations); and prevented the creation of conditions for the takeover of power and the construction of the Socialist society.
3. It is necessary to preclude the accelerated advancement toward the reestablishment of the power of the "old masters," the constant conciliation of the forces claiming to be representatives of the working masses, and the fascist-oriented repression falling more ferociously each day upon the workers and their class organizations, reaching brutal forms with the Amaral/Carneiro government.

Hence,

4. Militants who, bearing arms, fought against the dictatorship, imperialism and colonialism, coming from various organizations (ARA [Armed Revolutionary Action], LUAR, BR [Red Brigades] and Autonomous Groups), consider this the time to advance organizationally with a Revolutionary Army, provided with autonomous political leadership, and capable, with the force lent it by reason of the justice of its struggle, of responding with revolutionary violence to the violence imposed daily on those who work.

The FP 25 have come into existence at a time when the reinforcement of the repressive apparatus in the hands of the right (GNR, PSP [Public Security Police], courts, FAs [Armed Forces], etc.) is jeopardizing the workers' conquests and interests.

5. From a strategic standpoint, the FP 25 propose:

- a) To create conditions for their constant enlargement, so as to organize the working masses militarily for an assault on the power of the bourgeoisie, as the only possible means for the construction of Socialism in Portugal.
- b) To give an impetus to the organization of the working people, starting with the rank and file, for the popular unity essential to the struggle against capitalism and imperialism.
- c) To struggle for the Socialist revolution, through the seizure and exercise of power by the workers, by means of a Popular Assembly, elected by the rank and file popular organizations.

d) To struggle for national independence against imperialism and against the presence of foreign bases in Portugal (NATO), and for non-alignment with the politico-military blocs.

e) To struggle for the intensification of internationalist solidarity with all peoples of the world, with a militant base and in association with all the organizations struggling against fascism, colonialism, capitalism and imperialism in all their forms.

6. The Popular Forces propose, immediately:

6.1 To give a revolutionary response to all repression or sabotage, whatever form it may assume, that is aimed against:

a) The agrarian reform in all sectors, specifically in the turnover of reservations.

b) The industrial workers.

c) All exploited workers in general, specifically fishermen and miners.

d) Tenant and small farmers, and their class organizations.

e) Soldiers and their autonomous class organizations.

f) The workers' autonomous organs (UCPs [Collective Production Units], unions, CMs [Women's Committees] and CTs [Workers' Committees]).

6.2 To provide the autonomous class organizations with means of self-defense.

6.3 To struggle for the release of the antifascist political prisoners, in the context of the anticapitalist, anti-imperialist struggle.

6.4 To undertake action to recover funds and logistical material needed to guarantee independence and the attainment of the proposed goals.

6.5 To take credit for the actions that are to be undertaken.

Against the bourgeoisie's violence, workers' violence

For the Socialist revolution,

The Struggle continues!

FP 25

[Caption] The first pamphlet distributed by the FP-25A, received in the editorial office of the newspaper PORTUGAL HOJE on 20 April 1980, in which credit was taken for the explosion of 110 bombs all over the country. The clever Socialist organ issued the report and published the "facsimile" of the pamphlet, adding:

"It is not to be precluded that we are being confronted with a political provocation originating among the revanchiste [vengeful] extreme right."

2909

CSO: 8142/1044-C

BASQUE GOVERNMENT CRITICAL OF PASAJES ACTION

Madrid YA in Spanish 28 Mar 84 p 7

[Article by Marisol Vega: "Police Could Have Made Arrests Instead of Firing"]

[Text] Vitoria--The report released by the Basque Government concerning the police operation which was carried out in Pasajes during which four members of the Autonomous Commandos died, "appears to confirm a clear inconsistency between the objective of arresting the commandos with safety and impunity for the police, and the fact that they were riddled with bullets."

Pedro Miguel Echenique made this comment yesterday when he reported on the statement which the councillor of the Interior Ministry, Luis Maria Retolaza, presented last Monday to the autonomous leadership. Although the investigation has still not been definitively completed, information which has been collected, mainly from eyewitnesses, makes it possible to frame a preliminary evaluation, independently from the one which is being completed with new testimony which will allow complete reconstruction of the events which occurred.

"It is essential to point out the necessity for institutions and the persons who represent them to always give truthful and courageous explanations for the actions of public servants--even if these actions may be excessive or subject us to censure--because it is not appropriate to confuse the acknowledgment and the punishment, if appropriate, of a specific action with general and systematic condemnation. The credibility of the democratic system, and above all, an ethical imperative demand this," declared the spokesman of the Basque Government.

Testimony of Witnesses

According to the report of the autonomous government, numerous residents both of Pasajes de San Juan as well as of San Pedro have testified about the unusually large number of policemen and unknown persons before the events took place, "an obvious sign of the precautions and surveillance which went on prior to the situation," said Echenique, who added that witnesses between 100 and 200 meters away noted the accurate spotting of the terrorist commandos' boat by a powerful searchlight, and the absence of any indications

that they were about to flee, "there is even testimony that one of the men who was killed seems to have been shot down as he was trying to reach the shore minutes later."

Criticism of Elorriaga and Jauregui

Pedro Miguel Echenique believes that it is essential to have a truthful explanation of what occurred. Along this line, the Basque Government has criticized and has characterized as "particularly unfortunate" the statements of the Guipuzcoa civil governor, Julen Elorriaga and of the government delegate in the Basque Country, Ramon Jauregui. It criticizes the request for investigation of the events entrusted by the "lendakari" to the councillor of the Interior Ministry "in view of the tragic toll of four deaths, and given the glaring discrepancy between the official versions of what occurred and other testimony."

The Basque Government spokesman declared that the civil governor of Guipuzcoa "has insulted the highest representative authority in the country with uncalled-for remarks, because he ordered an investigation which he had every right to do, and in view of events where substantial obstacles had been put in the way of the information media and the mayor of Pasajes himself."

Belonged to Autonomous Commandos

Also, C. Muro reports from San Sebastian that yesterday afternoon the mortal remains of Javier Perez de Arenaza, a Basque resident of the south of France, were brought to his native town of Mondragon. He lost his life last week in an attack carried out in Biarritz. A ceremony in his honor was held by the people of Mondragon, and the funeral service will take place today in the afternoon.

Meanwhile, in a communique released a few hours ago, the Anticapitalist Autonomous Commandos admitted that the four men killed in the shooting in Pasajes belonged to that terrorist organization.

8131

CSO: 3548/225

GOVERNMENT TO INTENSIFY ANTI-ETA CAMPAIGN

Madrid ABC in Spanish 28 Mar 84 p 19

[Article by M.V.]

[Text] Since the Pasajes confrontation, in which four terrorists died, and in view of the steadily improving attitude of the French authorities, the government has reaffirmed its intention to broaden and intensify the employment of all possible measures to put an end to the menace of the ETA gangs.

This is not a question of drawing up a new program or of adopting new measures against the terrorists, but rather of strictly enforcing the laws which are currently in effect.

Official government sources yesterday assured this newspaper that they were not seeking to employ more repressive measures or to do away with the open door to rehabilitation through the so-called process of repentant [terrorists]. On the contrary, the opportunity generally will be open for those persons to avail themselves of this system, who have truly decided not to take up arms again, who believe that there are more appropriate ways within the legal system to argue their political beliefs. Repentants, yes, but real ones.

The same sources commented that if the state security forces and the judges rigorously apply the powers which the laws grant them in carrying out their duties, it is quite probable that some potential terrorists will repent even before "signing up" or committing acts of terrorism.

The refurbished government policy essentially consists--according to sources consulted by ABC--of strictly enforcing measures which the law allows: police action without leniency so as to guarantee the security of the persons and property of the citizenry in general; self-protection by the police itself; strict enforcement of the laws against terrorists; maintenance of the prison system without special concessions of any kind for the incarcerated terrorists; an increase of diplomatic pressure on neighboring countries so they will not provide shelter for the terrorists, but will instead cooperate with Spanish judicial authorities.

In line with this latter idea--cooperation with nearby countries--the Spanish police place special emphasis on stressing the usefulness of removing from the border area the ETA terrorists who have returned after the recent French sweep which transferred them to the north.

The official sources consulted by this newspaper believe that the cooperation of France has been relatively important in liquidating the remnants of the gang which calls itself the ETA-pm, but that "they have not even touched a hair of the ETA-m; and there is where we really need to join forces, because today the problem is ours (Spain's), but tomorrow--the way things are going--it could be theirs also."

All these measures do not close the door to an extension of measures of rehabilitation, release from prison and the reintegration into society of reformed terrorists.

8131

CSO: 3548/225

INFLUENCE OF WALLOON PARTIES IN CABINET

Brussels KNACK in Dutch 15 Feb 84 pp 13-15

[Article by F.V.: "Walloon Power Is Great"; passages enclosed in slantlines, printed in italics]

[Text] The community shocks of the past weeks have been absorbed within the government. On the Flemish side, they have a hangover. What makes the Walloon partners in the cabinet so strong?

Meetings with the presidents of both the liberal PRL [Liberal Reform Party (Walloon)] and the Christian PSC [Social Christian Party (Walloon)] have taught at least one thing: they believe that their method of stubbornly holding to the letter of the law concerning the 1980 state reform is profitable. Both Gerard Deprez (PSC) and Louis Michel (PRL) like to use the sentence: after all, we are living in a constitutional state. For them that constitutional state is old already; specifically it dates from Val Duchesse 1963 and forms a wide stream of laws from 1970 (parity in government, Gaston Eyskens' alarm bell) and the temporary formation of regions with the, for the French speakers, mild distribution key for 1974 and the Perin-Vandekerckhove law.

In addition, in the heart of the steel debate and of other discussions such as those about Happart, Galle and the proposal to regionalize the major industrial branches (the CVP [Social Christian Party (Flemish)] proposal introduced by Luc Van den Brande), the Walloon liberals managed to take good advantage of the government agreement which the Martens V administration sailed forth with in December 1981. Louis Michel calls this document "our bible" and holds onto it like a businessman to his contract. "The only problem is that on and off the CVP cannot keep itself from leaving that contract behind and from pushing its own ideas forward. Each time this produces serious difficulties and moments of crisis. These are not good for the country any more than for the CVP itself. As a matter of fact then, it must either climb down or cause the government to fall, and that is often a painful choice."

Gerard Deprez also feels reasonably safe with the constitutional and political points of departure which still continue to determine life in Belgium. He calls the government steel bill recently adopted in parliament "probably the richest but also the most painful experience of my short political career. We were part of a national government which got to deal with a national industrial sector. The French speaking parties had agreed to implement a serious recovery

plan for Cockerill-Sambre [CS]. They took into account all possible difficulties, including those raised by the European Commission. They didn't ask for anything above or beyond any legislation. And then they were told by all, I repeat all the Flemish parties that they would have to get the money out of their own pockets. In this regard it struck me that the position of the opposition was virtually the same as the one expressed openly by our CVP partner. Neither Van Miert nor Tobback made any tougher statement than either the CVP or Verhofstadt. As a French speaker and a Walloon who is responsible for his people, I have found this attempt to achieve a Belgian economic policy of the /fair return/ very painful."

For CS it has become a matter of all is well that ends well, up to and including the prospect that tomorrow a social austerity plan for Liege and Charleroi will go hand in hand with a new round of income reductions in the Limburg coal mines. The Walloon majority parties will thankfully grasp that "them too!" when, a few months from now -- and preferably without the referendum they promised the Flemish last July --, they have to settle with the Walloon unions.

Social moderation in Limburg has been going on for a while already, according to the stipulations of an existing agreement for business. Based on the meanwhile much discussed Article 11 of the new industrial law, the government can take action unilaterally in the setting of wages. Minister Eyskens has promised in a /political/ statement that something like that will not once again be the case for Campine Coal Mines [KS]. Former Minister Luc Dhoone of Limburg has also understood it that way: Prime Minister Martens told him so himself.

Stupid and Malicious

But talk is cheap: the prospect that Limburg will continue to be spared further wage reductions does not happen to be included in the law, on the contrary. And particularly PRL President Michel does not sound very compromising in this regard. He also noted that in the parliamentary arena and in the media completely contradictory explanations are given as to the industrial act which was recently transferred to the Senate. However, that does not bother him all that much: "It is true that Eyskens and Gol have given it a different interpretation. I don't believe, however, that their difference of opinion will create difficulties in implementing the law. It is the /text/ that counts."

Michel calmly goes on. He recently talked about his refusal "to see two economic logics develop" in Belgium. With this he refers to the fact that a purely economic behavior, rational up to and including the commas of the Gandois plan, has been imposed on the Walloon steel industry. Well, he now believes that this should apply to everybody. This is why he stands squarely behind the opinion of Secretary of State Etienne Knoops who feels that the Limburg coal is 20 percent too expensive for the Walloon steel basins. Payment of the currently asked price comes down to an indirect subsidy to KS, "to support measures which do not dare use their names."

Hence, this can no longer be allowed, according to the PRL. KS has a certain financial envelope, just like Cockerill, and must be equally content with it. "I think that the Flemish are on the verge of getting to know dramatically economic, social and human misery as it exists in Wallonia. I don't wish it on them, but perhaps they will soon discover that national solidarity is still the best way to solve the problems of our country and of all its inhabitants."

Deprez is on the same wavelength: "It is in everyone's interest for the Belgian state to be rich and prosperous. Our debt is national, just like social security. I refuse to act like PS [Socialist Party (Walloon)] Minister Busquin who exclaims that he no longer wants to deal with the Flemish. He does want to deal with the Germans or the Dutch or the French. I find that an imbecilic policy. I refuse to believe that everyone in Belgium is becoming stupid and malicious. Thus the Walloons are often accused of never having discussed their Cockerill file on the basis of economic laws, figures and calculations. Flemish opinion is convinced that Walloon steel is sick because it is Walloon. But to how many Flemish has it been clearly explained that last year the two large French steel plants suffered a loss of 50 billion francs and that this year Minister of Industry Laurent Fabius wants to pump another 70 billion francs into them in order to avoid a catastrophe? And did you hear a single Walloon politician reject the severity of the Gandois plan? Hence we are shocked to hear from the Flemish side: you are in trouble because you are incompetent."

On the face of it, the Walloon government parties seem to be getting full measure out of the available Belgian structures and laws. So far they have not yet suffered a single defeat in the bosom of the Martens V administration. They are nearly surprised about it themselves, because in their eyes Flemish political power is united and clenched tightly together in a front going beyond all the parties. The same does not exist on their side. Deprez is able to dwell at length on the basic differences between his PSC and the PRL. He does feel that it is normal for all the Walloon members of parliament to pull the alarm bell together if Flemish socialist Marc Galle's proposal concerning the language knowledge of the Flemish mayors and municipal elected officials is seriously discussed. Fortunately for the Martens administration, this danger is not very great. As a matter of fact, the CVP has already called the minister of the Flemish government "a danger to Flanders." That is very surprising and not yet very clearly demonstrated juridically, but it will spare the coalition serious headaches later on. The CVP can announce beforehand that it will not support Galle, so that the alarm procedure will not embarrass the Council of Ministers.

Black Sheep

If the Council of State were to confirm the dismissal of the mayor of Fourons, Happart, as a result of which Minister Nothomb (Internal Affairs) would be forced to implement that judgement, it would not mean a man overboard for the Walloon government partners either. As a matter of fact, Happart has just joined the /Walloon Socialist Party/. He will be given an electable position on the European list and later on he will be able to be a candidate for the

Belgian parliament from Liege. Hence it will not be difficult for the PRL and the PSC to turn their backs on this black sheep without much loss of face. Michel and Deprez have stated as with one voice that they have no interest in the person of Happart. They both say that for them it is a question of the /principles/ of democratic suffrage. Michel: "If Happart subordinates the input of his problem in Fourons to his socialist ambitions in Liege, then that is his problem. However, the PRL will not allow officials elected in the language border area to have to take any kind of language exam or anything that resembles one. Besides, the Council of State is not all that definite on this. It does not indicate at what level someone does or does not know enough Dutch, and as a Germanist I myself wouldn't know either. The imposition of a language test would once again put the aspect of capability, the law of /capability/ into our electoral system. Never that. Besides there is more. The system of facilities is based on a solemn /political compromise/ of 1963. It is clear that something like that cannot be pulled apart by legal niceties. Then the one hand would in fact take away what the other hand had given."

Gerard Deprez is also said to be pushing against the application of the firm rule that those mayors in the Flemish language border area who do not know Dutch should return their mandate. In this regard he frankly points out the case of Baudouin Degrunne and the 15 elected officials on his list in Wezembeek against whom a complaint has been filed just now with the permanent deputation of Brabant. "I feel that he should not allow himself at all to be tempted into taking a language test. Everybody knows that he is bilingual and has been mayor for 20 years based on a mixed list. The fact that a complaint has been lodged against somebody like that is unbearable, humiliating and malicious. This looks too much like the yoke the people conquered by the Romans had to live under. And people like Degrunne and Thiery in Linkebeek have not even been conquered. Thiery once published his diploma in Dutch in DE STANDAARD. That is not even the question. We would like to invoke Article 23 of the constitution concerning the free use of languages in Belgium. The government can regulate the acts of administrative bodies, but not the actual language use. I believe that the last word has not yet been said about this whole matter, not by the Council of State either."

The PRL and the PSC are not even large parties. Hence their self-confidence is all the more noticeable and it leads to the conclusion that to play hard also produces points. In recent days, there has been a great to-do about the question of whether the PRL in particular was not steering toward early elections. Indeed, according to all the opinion polls the Gol-Michel tandem is heading for a substantial electoral success and, what is more, is likely to eat up part of the PSC. This would sharply differentiate the PRL as the second largest party in Wallonia and would allow it to claim a relatively greater weight within the coalition.

Not Warm

Deprez is very well aware of the fact that time is working against him, but still he is being very cautious about the idea of joint European and national elections on 17 June. And in contrast to a week or two ago, Michel is "not warm" to the idea either. The community business is lying down, all possible

spoils have been raked in. Why not hang in there then, if possible, until some social recovery also occurs in a hopefully close at hand economic recovery? Indeed, all hope is directed toward the year 1985. If matters are clearly better then, then, according to the Michel team, the voters will ensure a landslide. As a matter of fact, he knows that the PRL has made the strongest mark on the Martens-Gol cabinet. Then it will be irrevocably too late for the PSC to help pick the fruits of the victory. "For many years, it has been number two in Wallonia. But in the socio-economic area it hung onto the PS wagon and in community matters it had to follow the CVP. At that time it didn't use its power sufficiently. There was only one party of real renewal, the PRL and its combat liberalism against the /combat socialism/ of Jean-Maurice Dehousse. The PSC lost its chance to be the ensign in this fight, for good."

8463

CSO: 3614/62

STRAUSS ASSESSES BONN COALITION POLICIES

Hamburg DER SPIEGEL in German 16 Apr 84 pp 23-27

[Interview with CSU Chairman Franz Josef Strauss, by editors Klaus Wirtgen and Dirk Koch; date and place not given: "I Have Withdrawn From the Game"]

[Excerpts] [Question] Mr Prime Minister: The Federal Chancellor did something for you your heart was set on. Together with Vice Chancellor Genscher, Helmut Kohl took 3 hours last Wednesday to talk with you. Was it worthwhile? Did you not have a chance, since you are angry about Genscher's politics, to bring up foreign policy and the questions you yourself find urgent?

[Answer] I do not know what such questions can do. Of course, I have the opportunity for it. But that was not the point of this conversation. There are all sorts of things in the coalition that have to be straightened out, that we will finally have to settle. If they happen to be no foreign policy questions, one should draw no serious conclusions from that. It is equally wrong to believe that my position has been weakened because of the CSU losses in Munich. I am not the least bit responsible for that.

When the CDU gets 42.6 percent in the Landtag elections in the city of Stuttgart, it is a splendid success. When the CSU in the Munich communal elections gets 42.4 percent, it is a dramatic defeat.

[Question] Don't you still have reason for self-criticism? Here are the key words: A credit of billions for the GDR, scuffles with Genscher and Kohl, foreign policy extra tours like the sudden trips to Grenada and Damascus. How does that sit with the voters?

[Answer] I believe the voters--despite much biased reporting--have understood I am a free and independent politician and loyal to the government, but not under ecclesiastic school supervision, with the prelates being replaced by the FDP.

[Question] How much blame for the poor showing of the CSU goes to the policy in Bonn, especially to the resolutions on saving?

[Answer] The CSU didn't do so badly. That is an error that gains nothing from repetition. The last communal elections were in 1978. Then the SPD was so split--mainly in Munich--that most of the conservative SPD voters did not even go to the polls. What has now happened is partly a normalization process. It makes no sense to believe that a metropolis like Munich would be an outstanding voting ground for the CSU.

[Question] In a letter to the Chancellor, you asked for a family tax equalization reform "all of one piece." Do you consider that what Stoltenberg proposes as patchwork?

[Answer] This is mainly a matter of the size of exemptions for children. The government wants to introduce children's exemptions at a clip of DM 2,400. Our proposal envisages DM 3,000. That will have to be discussed and decided in connection with all the family tax equalization matters. We maintain the social question number one today no longer is the working man in the enterprise, nor the retired seniors, but the young family. Today two incomes simply are needed to make it fairly well in line with modern expectations. If that is then hardly compatible with young parents' having children, the whole family tax equalization comes down to making the totality of state benefits at least a compensation for the second income that falls away. The 1983 birth rate is worse than that of 1982. Indications are, that of 1984 will be worse still than that of 1983.

[Question] You are asking for a higher amount in children's exemptions, for subsidies for child support for low income people and so forth. That would call for a total of DM 8.4 billion. Stoltenberg only anticipated DM 5 billion. Will you be able to make your point with Kohl?

[Answer] Whether I make it cannot be considered as a problem in world history. The overall responsibility for it is up to the one who owns the guideline authority, the federal chancellor. My job is to make the federal government aware of how serious the problem is and of the priorities. I believe other prime ministers are doing the same, and in a more drastic manner still. I am thinking here of "King Lothar" and "Duke Ernst Albrecht."

[Question] The gentlemen Spaeth and Albrecht then. Must the Union -led federal government now expect an internal party opposition in the Bundesrat in its tax policy?

[Answer] That question is as premature as asking a 5-year old youngster whether he wants to become a bishop.

[Question] Was there any basic consensus on tax matters at the summit of the three?

[Answer] I read with great interest in a newspaper that Kohl and Genscher do not agree yet with Strauss. In other papers I then read that all of a sudden the FDP and CSU find things in common, as over against the CDU.

Worldling that I am, I am now all confused. I don't know now: Do I agree with Kohl against Genscher? Do I agree with Genscher against Kohl? Or do all three agree? That's why I am now going to a fortune teller to have her tell me what's what.

[Question] But do tell us how you see it, please.

[Answer] When I am back I shall tell you what the fortune teller has said.

[Question] The finance minister wants to finance circa half of his reform through higher taxes--surplus or sales tax. Is that plausible?

[Answer] Before one answers this in terms of figures, the finance minister--I have asked for it several times--ought to define the term "hidden tax hike" and mention figures. Hidden tax hikes, after all, do not come from a magic lantern.

[Question] What do you mean by hidden tax hikes?

[Answer] Let me give you an example in figures: If someone with gross wages or a salary of DM 3,000 gets an increase of DM 150--which would be five percent--three percent of it is inflation adjustment and two percent truly increases the purchasing power. The three percent in my example comes to DM 90. For that wage increase, that does not really increase his income, he pays higher taxes. And that is what I call hidden tax hike.

The last tax revision comes from 1981 and went into effect on 1 January 1982. The question arises whether one should count the hidden tax hike as of 1 January 1982, that is, for one year still of our previous administration, or only as of 1 January 1983.

[Question] Suppose the new tax reform were to go into effect early in 1986, how high, do you think, the hidden tax hikes would then be?

[Answer] Only to compute the given surplus revenue would be wrong. What came with the hidden tax hike in 1983--the first year of the Kohl/Genscher government--will be paid once again in 1984, and that in addition to the new hike. Omitting 1982, one gets amounts above DM 30 billion by 1 January 1986.

[Question] Stoltenberg figures differently. He gets to an amount of DM 16 billion.

[Answer] A lot will still be said about this. I know the way the finance ministry is figuring it. It is a very dubious way. But we don't care about the computation methods. We want the finance ministry to tell us the definition of hidden tax hikes. I think the cumulative method is more honest than pure addition.

And then one still has to check--but that cannot be done without a scientific financial machinery--to what extent one may deduct from these hidden tax increases a sum the state itself has to pay for them--to pay outlays for personnel, for instance. In the Bavarian finance ministry, they are preparing a study on it. I have especially asked the finance minister for it, in writing.

[Question] What does it benefit the tax payer whether the politicians agree to a plausible definition?

[Answer] He can be sure he is treated honestly. The point will come where one will have to ask whether we can do away altogether with the hidden tax hikes or only no longer levy parts of them.

It is not a tax reform or a cancellation of the hidden tax increases if part of the lost revenue is made up for by raising other taxes or by deleting tax advantages. Then you take with your left hand what you give with your right.

The finance minister has to announce: we give so and so much with our right hand and take so and so much with our left. The difference is the true tax allowance the state makes.

[Question] Do you mean to say the finance minister, in view of the hidden tax increases, should renounce increasing the sales or surplus tax?

[Answer] That question is as impossible to answer by either yes or now as the question: who was the greater poet, Goethe or Schiller?

[Question] Would a Finance Minister Strauss do without raising indirect taxes?

[Answer] I refuse to include in some tax reduction the amounts that would then be retrieved by cutting out subsidies or tax benefits. The difference alone rates as refund or as not getting hidden tax increases back again.

[Question] What is your position on Stoltenberg's plans to get about half of his 25-billion concept out of tax increases?

[Answer] I am against tax increases. I mainly want it to be clearly differentiated for the tax payer: what means no longer assessing the hidden tax increases? And which part of the renounced tax increases is to be made up for by increasing other taxes?

[Question] The CSU and FDP do agree on some things in the tax reform debate.

[Answer] That I have read with great satisfaction.

[Question] Count Lambsdorff and Franz Joseph Strauss, unlike CDU Finance Minister Stoltenberg, want the first part of the tax reform to go into effect in 1986.

[Answer] That is correct. And it is also correct that we both are against raising other taxes to make up for reduced tax revenue. But that is not what we talked about at the summit.

[Question] That means: despite all the mutual ill-will, the CSU and the FDP are pulling together in an important domestic matter.

[Answer] For all that, we evidently attach greater importance to family equalization than does the FDP.

[Question] Does that suggest the CSU is moving closer to the Liberals again?

[Answer] Where we are of the same opinion it is not a matter of a rapprochement process but of a need to ascertain political convictions we share. And where we differ in political convictions--as in the divorce follow-up or the demonstration penalty laws--opposite observations are in order. Then one has to find a compromise, and there one must primarily keep sight of objective necessities.

[Question] For Munich you have--with hardly any disguise--advocated a grand coalition in the municipal council. Could that become a model for Berlin or North Rhine/Westphalia?

[Answer] It is not up to me to say what the parties will do in other Laender. There are no presuppositions at all for a grand coalition in Bonn. One may still remember, however, that I thought in the case of Hessen--though I was scolded because I said it publicly--it would have been good if one had formed a business-like coalition from the outset--let us say--a pact of convenience. It is the same question for Munich.

There will then be no love marriage between the CSU and the SPD in Munich. But there are common issues in Munich where that which the CSU shares with the reasonable part of the SPD--or, I would like to say, the Kronawitter part of the SPD--is likely to exceed what that same part of the SPD shares with the Greens.

[Question] You published a contribution on Kurt Georg Kiesinger's 80th birthday in the most recent edition of BAYERNKURIER. In it, you complain about the unpredictability and unreliability of the FDP in 1969, at the end of the grand coalition. Is the FDP not now in a similar condition?

[Answer] Then there were many strategists in our ranks who boasted of especially good relations with the FDP. Came the moment of truth, and there was nothing to it. And then perhaps I was somewhat naive in thinking that Kurt Georg Kiesinger might perhaps already have set the switches for carrying on the grand coalition.

[Question] Which you then would have supported. What is different in this today?

[Answer] Now we have a coalition with a functional CDU/CSU and FDP majority, which has been voted in up to 1987.

[Question] If the FDP keeps dwindling in the elections ahead as a coalition partner, the next federal elections might throw the CDU/CSU out of the government. Should it therefore not rather seek an absolute majority in 1987 at once?

[Answer] The Union parties have to fight for every vote they can get. I do not believe in votes on loan. A party must get its identity and affirmation from its own strength, not from vote manipulation. That that does not work, we found out in Hessen all right. The CDU recommended voting for the FDP. And the the votes for the CDU and FDP together did not suffice, and the CDU again dropped to 40 percent, which it had long surpassed in the Dregger era.

[Question] Are you under the impression Helmut Kohl agrees with you in this matter?

[Answer] It has not been necessary thus far--or there was no occasion--to talk about this subject.

[Question] When, do you think, will be the time to set down Union strategy for the election campaigns ahead?

[Answer] There are a number of elections ahead: communal elections in North Rhine/Westphalia and the Landtag elections 1985 in the Saarland, in Berlin, and in North Rhine/Westphalia. The outcome of those elections will tell us much about the trend in the electorate's psychology and the shifts and stabilities in it.

[Question] Do you, as the chairman of a coalition party, insist on being consulted on setting down the CDU's election campaign strategy--against the FDP, with the FDP--in North Rhine/Westphalia, where an election is coming which, after all, is important to Bonn?

[Answer] I shall take good care not to do that.

[Question] Kohl's concept to shore up the CDU's supremacy in the federation and the Laender with the help of the Liberals even today appears fairly unsuitable or even fragile, doesn't it?

[Answer] I caution against premature judgments at halftime. Today it still looks--up to a few days ago--that in case of federal elections the CDU and CSU together would pull 50 percent of the vote. That, at any event, are survey results we got from the CDU--we do not have our own.

[Question] And does that now disavow Kohl's FDP strategy?

[Answer] It disavows a grand coalition.

[Question] One more point about the stability of the Bonn coalition: If Lambsdorff quits over the Flick affair, do you think the time has come for a substantial cabinet reshuffle? Or is it then up to the FDP to appoint a man of its own choice to that post?

[Answer] It is solely up to the Federal Chancellor to judge the chances and risks of his government and whether he possibly wants to change something or not. I have long withdrawn from that game.

[Sign off] We thank you for this interview, Mr Prime Minister.

5885

CSO: 3620/242

GALLUP POLL ON PASOK EURO-ELECTION STANDING

Athens ENA in Greek 29 Mar 84 pp 10-11

/Text/ The two big parties, PASOK and ND, have entered the final stretch for the June Euro-elections with a small percentage difference between them. This is revealed in the latest Gallup poll taken by ENA that gives PASOK 28.8 percent and ND 25.4 percent. The undecided voters, who voted for PASOK in the last elections and who are now in the uncommitted ranks, will provide the final victory.

The following are the results of the Gallup poll taken in the Athens and Piraeus region between 29 February and 14 March: PASOK 28.8 percent; ND 25.4 percent; KKE 17.1 percent; KKE (Int.) 7.4 percent; KODISO /Democratic Socialism Party/ 0.7 percent; EDA 0.3 percent; other parties 1.4 percent. A 14.7 percent of those questioned answered "I have not decided," while 4 percent refused to answer (see Table 1).

The basic element of this new Gallup poll is not the overall percentage of undecided voters but the fact that they are in large part PASOK members. Therefore, the parties that have the most trusted members are in turn the KKE and ND, while PASOK shows the lowest percentage of steadfast voters.

Specifically, in comparison with what they voted for in 1981, those questioned show the following percentage of "faithfulness:"

KKE: 94.4 percent
ND: 92.9 percent
KKE (Int.): 78.0 percent
PASOK: 69.8 percent

Analytically speaking, the situation of each party 3 months prior to the elections is as follows:

TABLE 1

Survey Results

PASOK	28.8
ND	25.4
KKE	17.1
KODISO	0.7
KKE (Int.)	7.4
EDA	0.3
EPEN /National Political Union/	0.3
Other	1.4
Undecided	14.7
Refused to answer	4.0
Total	100.1

PASOK

PASOK shows the greatest losses, meaning that in order to capture the strength that won it the 1981 elections it must now win over once again the undecided voters who come to 15.8 percent (see Table 3). On the other hand, ND shows a percentage of undecided voters of close to 2.6 percent, smaller than that of the KKE that is 2.8 percent. A significant factor that explains PASOK's unsteadiness --and the drop at the very time of the survey-- is that its voters are not significantly differentiated in any class or age group (see Table 2).

Consequently, A. Papandreou's party does not seem to be able to develop in the next 3 months any tendency to take voters away from other parties but instead it will be obliged to center its efforts on holding on to its followers and to "reconvert" the undecided voters.

ND

ND maintains its strength firmly. As mentioned above, it has the smallest percentage of undecided voters (2.6 percent. See Table 3). In contrast to PASOK, ND shows that its strength comes primarily from clear-cut class and age groups (45 years of age and over) and from the higher social classes (see Table 2).

An unfavorable element for ND is that it has not succeeded up to now in benefitting from the instability of PASOK's electoral base and in attracting some significant percentage of undecided voters.

It is clear, therefore, that ND, without being obliged to assume defensive tactics during the pre-electoral period, will be able to turn its attention to the acquisition of new voters from among the PASOK undecided.

This will be made easier since, as shown through the very little strength of the extreme Right (0.3 percent), the right wing of the majority opposition party does not appear to be threatened.

KKE-KKE (Int.)

Also stable in strength is the KKE, getting a large number of its voters from the younger age groups (ages 18-35) and from the lower social classes (see Table 2). Just as ND, the KKE has steadfast followers (undecided 2.8 percent) and does

not need defensive tactics (see Table 3). It would be reasonable for it too to turn its efforts in attracting PASOK undecided voters.

The KKE (Int.) appears as the sole small party that could expect a noteworthy electoral showing in June. It has more steadfast voters than PASOK despite the fact that, in comparison with ND and the KKE, it has the greatest percentage of undecided voters (13.6 percent). A contradictory element that shows up in the survey is that while the KKE (Int.) voters come from younger age groups they, nevertheless, belong in large part to higher social classes. Finally, it is natural that the KKE (Int.) would target PASOK undecided voters.

Other Parties

The most important element in the survey with regard to other parties is the net drop of KODISO (0.7 percent) and the insignificant strength shown by the extreme Right (0.3 percent). This phenomenon becomes even more significant --especially for KODISO-- by the fact that despite the existence of seven parties overall, 1.4 percent of those asked said that are seeking "another party."

Polarization or Bipolarization

According to the ENA survey, the general trend being shown by the electorate is that despite the simple proportional electoral system that will be used in the Euro-elections, the three biggest parties continue to contend for the overwhelming majority of the electorate, a fact that confirms the polarization that has become part of our political life.

The Survey

The survey was conducted for ENA by the European Market Research Bureau --EMRB (Hellas) Ltd-- and covered the first and second districts of Athens and the first and second districts of Piraeus. Overall, a total of 1,000 persons were interviewed, 50 percent men and 50 percent women between the ages of 18 and 69. The survey was made through ballet to ensure the anonymity of those interviewed and to lessen the possibility of refusals to answer.

Of the total interviewed, 25 percent were from other areas of the country, while 75 percent voted in Athens and Piraeus. The former were in the long run eliminated from the survey, so the final figure came to 720 persons interviewed.

An element that gives the survey greater validity is the fact that those interviewed, as revealed from their answers, represent exactly the electoral strength of each party on the basis of the 1981 Euro-elections results.

TABLE 2

ANALYTICAL SURVEY RESULTS FOR JUNE 1984 EURO-ELECTIONS													
	SEX			AGE						S/E CLASS (1)			
	Total	Men	Women	18-24	25-34	35-44	45-54	55-64	65-69	2	3	4	5
Base	720	349	371	73	133	196	155	117	46	18	148	349	207
	%	%	%	%	%	%	%	%	%	%	%	%	%
PASOK	28.8	26.6	30.7	21.9	29.3	32.7	27.1	28.2	28.3	27.8	27.4	28.4	30.4
ND	25.4	30.1	21.0	12.3	15.0	24.0	31.6	35.0	36.9	33.3	24.7	29.5	19.3
KKE	17.1	19.2	15.1	28.8	24.1	14.8	12.9	12.0	15.2	22.2	14.4	15.2	21.7
KODISO	0.7	0.6	0.8	0.0	0.8	0.5	1.3	0.9	0.0	0.0	2.1	0.6	0.0
KKE (Int.)	7.4	6.9	7.8	16.4	12.8	5.1	6.5	0.9	6.5	11.1	14.4	6.0	4.3
EDA	0.3	0.0	0.5	0.0	0.0	0.5	0.0	0.9	0.0	0.0	0.0	0.3	0.5
EPEN	0.3	0.6	0.0	0.0	0.0	0.0	1.3	0.0	0.0	0.0	0.0	0.6	0.0
OTHER	1.4	2.0	0.8	1.4	1.5	2.0	0.0	1.7	2.2	0.0	1.4	1.4	1.4
UNDECIDED	14.7	10.3	18.9	13.7	12.0	17.3	15.5	16.2	6.5	0.0	12.3	15.5	16.4
NO ANSWER	4.0	3.7	4.3	5.5	4.5	3.1	3.9	4.3	4.3	5.6	3.4	2.6	5.8

Key:

1. Socio-economic class
2. Higher social class (highest education and large income)
3. Higher average urban class (higher education, good position in work and corresponding income)
4. Average class (high school or higher education, with average income)
5. Lower social class (manual labor and low education)

TABLE 3

ΤΙ ΨΗΦΙΣΑΝ ΟΙ ΕΡΩΤΗΘΕΝΤΕΣ ΣΤΙΣ ΕΥΡΩΕΚΛΟΓΕΣ ΤΟΥ 1981 (1)											
ΑΝΑΛΥΣΗ ΚΑΤΑ ΚΟΜΜΑ ΠΟΥ ΨΗΦΙΣΑΝ ΣΤΙΣ ΕΥΡΩΕΚΛΟΓΕΣ ΤΟΥ 1981- ΨΗΦΟΦΟΡΟΙ 1981 (2)											
ΕΥΡΩΕΚΛΟΓΕΣ 1984 (3)	ΣΥΝΟΛΟ (4)	Ν.Δ. (5)	ΠΑΣΟΚ (6)	ΕΔΗΚ (7)	ΚΟΔΗΣΟ (8)	ΚΚΕ (9)	ΚΚΕ εα. (9)	Άλλο (10)	Δεν ψήφισα (11)	Δεν απαντώ (12)	
BASE	720	155	265	7	13	107	59	28	66	20	
PASOK	%	%	%	%	%	%	%	%	%	%	
ND	28.8	2.6	59.8	14.3	7.7	1.0	3.4	3.6	18.2	-	
KKE	25.4	32.9	5.7	28.6	23.1	1.0	1.7	32.1	10.6	-	
KODISO	17.1	-	3.8	14.3	-	34.4	-	-	16.7	-	
KKE (Int.)	0.7	-	-	-	38.5	-	-	-	-	-	
EDA	7.4	-	2.3	-	-	-	78.0	-	1.5	-	
EPEN	0.3	-	0.4	-	-	-	1.7	-	-	-	
OTHER	0.3	1.3	-	-	-	-	-	-	-	-	
UNDECIDED	14.7	2.6	15.8	42.9	30.8	2.8	13.6	50.8	33.3	30.8	
NO ANSWER	4.0	1.8	1.1	-	-	-	-	3.8	15.2	70.8	

Key:

1. How those interviewed voted in 1981 Euro-elections
2. Analysis by party of those who voted in 1981 Euro-elections
3. 1984 Euro-elections
4. Total
5. ND
6. PASOK
7. EDIK /Democratic Center Union/
8. KODISO
9. KKE (Int.)
10. Other
11. Did not vote
12. No answer

TABLE 4

Results of 1981 Euro-elections in Athens-Piraeus

PASOK	36.0
ND	25.0
KKE	18.0
KODISO	6.0
KKE (Int.)	9.0
EDIK	1.0
OTHER	4.0

5671

CSO: 3521/228

LIBERAL, CENTER PARTIES HOLD NATIONAL CONGRESSES

Health Law Debated

Oslo AFTENPOSTEN in Norwegian 26 Mar 84 p 5

[Article by Alf B. Godager: "Center Party Will Be Watchdog Over New Health Law Within Government"]

[Text] Neither the public nor local communities will be affected by the confusion which has resulted from the assumption by the communities of primary health care service after 1 April. If necessary, the Center Party will act as a watchdog within the government. This is clear after the party's national congress in Oslo this weekend. Even though representatives of the three ruling parties have adopted a common approach in the social welfare committee, a certain fear within the Center Party became apparent that there is a need to keep a close watch over the Conservatives in this matter.

At a press conference on Saturday, Anne Enger Lahnstein, assistant director of the Center Party, pointed out that the word "distrust" is too strong to describe the uncertainty harbored over how far the Conservatives are willing to go. But the Center Party will ensure that the purposes of the reform are fulfilled.

In a statement from the national executive committee, it was announced that the new health law must be implemented as it was intended. In a transition period it must be accepted that the government will enter into direct agreements with physician specialists at the county level. The communities and counties must ensure the economic means for implementing the reform.

In that regard party leader Johan J. Jakobsen noted that estimates suggest that the reform will have differing economic impact on various counties and communities. A misallocation of resources to physician services from other necessary health services must be avoided.

The community and social services departments must now map out the effects in order to prevent, if necessary, particular communities and counties from being hit harder than others. It may become urgent to return with recommendations for assistance grants.

Community Economics

In another statement, the national executive board issued a reminder that the government has proposed a real growth in community budgets of a half percent this year. This proposal must be realized, among other ways, through extra tax-levelling devices for those most adversely affected or with the greatest unemployment.

The executive board pointed out that the actual situation is evaluated differently out in the communities than in central offices. The reasons for this must be clarified. Statistical data must be found which will clarify the situation better than is the case now.

Forestry Must Be Controlled

The executive committee states that there is a need to control district policies. Leaks from the Tax Commission and the Committee on Rural Affairs suggest a reduction in support for local districts. The Center Party recognizes that there is a need to examine the causes. The market situation in agriculture makes it necessary to moderate investments somewhat, but there is a need to find other profitable investment ventures.

The executive committee looks forward with anticipation to the parliamentary announcement on industry policies on forestry which is expected soon. For employment and housing consideration, the public sector must put greater emphasis on forestry.

There ought to be a basic principle that the reductions which are being made in support for agriculture should be made up in a corresponding amount for forestry. The aggregate level of activity must be maintained, according to the executive committee.

South Africa

At the press conference, Cabinet Member Jakobsen rejected unilateral Norwegian sanctions against South Africa. The executive committee urged in a statement that pressure against those in power must be increased. Among other things mentioned were intensified efforts toward achieving an international oil boycott and an international agreement against oil shipments. Norway ought to follow up the efforts by having a UN conference on the boycott. A plan of action should be worked out by which Norway gradually can reduce contact with the present regime.

Cooperation

Jakobsen stated that there was widespread satisfaction within the Center Party over cooperating with the government. No criticism was raised during the meeting over the cooperation.

Oil Boycott of South Africa

Oslo AFTENPOSTEN in Norwegian 26 Mar 84 p 5

[Article: "Center Party Will Work for International Oil Boycott"]

[Text] (NTB)--Efforts toward an oil boycott of South Africa must be intensified demands the executive committee of the Center Party. In a statement, the executive committee refers to the fact that the country is totally dependent on foreign oil supplies and that oil is an essential part of South Africa's war efforts.

The executive committee believes that Norway ought to work toward obtaining an international agreement against the transporting of oil to South Africa and follow up that effort with a separate conference under UN auspices on an oil boycott. Finally, a plan of action should be worked out whereby Norway gradually can reduce contact with South Africa, according to the statement.

Moral and democratic consideration dictate that Norway is obligated to support a change in conditions in South Africa, the Center Party's executive committee believes.

Liberals View NATO, Elect Leaders

Oslo AFTENPOSTEN in Norwegian 26 Mar 84 p 5

[Article by Morten Malmo: "Few Objections to Dorum's Proposal to the Labor Party: Power is Liberal's Goal"]

[Text] Alesund, 25 March--The leaders of the Liberal Party do not expect any response from the Labor Party to its proposal. "The Labor Party needs to discover that the party is not completely alone here in the world," stated the Liberal's parliamentary leader, Hans Hammond Rossbach, at the conclusion of the party's national congress. The Liberals continue with a "yes" on NATO, but believe that the alliance must change its strategy on first-use of nuclear weapons. Some popular vote on nuclear weapons such as the Socialist Left Party will have is opposed by the Liberals.

Formally, the Liberals will wait to clarify their choice of a partner for the 1985 elections, but the discussion of these issues at the national congress left little doubt concerning the Liberal's viewpoint. One can read in the resolution issued today during the national congress that the Labor Party and the Liberals stand together in the current session of Parliament respecting basic means for fighting unemployment, reestablishing a sense of social security and halting the nuclear arms race. One can ascertain therefore, that Liberal leader Odd Einar Dorum has received full support for the point of view which he advocated at the outset of the national congress on Friday, which can be summed up as follows: Since the political center is not currently a realistic government alternative, cooperation with the Labor Party is of immediate importance. Before

a final stand is taken, the Liberals will, for the moment, take a look at the government's national budget proposal for next year.

NATO

The opponents of NATO made themselves known as well during this national congress, and 37 voted in favor of a proposal that Norway withdraw from NATO. There were 149 delegates to the national congress who would continue NATO membership. The Liberals will, for the moment, work toward an abandonment by NATO of the strategy of first-use of nuclear weapons. At a press conference after the national congress, the party leaders were asked whether there was a desire for a popular vote on the nuclear-weapons questions, to which Liberal leader Odd Einar Dorum replied that the Liberals did not so wish.

Advertising

The Liberal national congress also adopted the party's new principal program which calls for increased use of popular votes. The program emphasizes defense of personal liberties and a strengthening of popular elections. A proposal to separate church and state was voted down during the course of the proceedings.

The same fate befell a proposal that advertising should be allowed in the new nationwide media, for example, a second television network. On the other hand, the Liberals approved the so-called "sound-posters" for regional radio and cable television.

The Liberal's national congress voted that Nicaragua must become the new primary beneficiary of Norwegian aid to developing countries.

Election

The Liberal national congress reelected Odd Einar Dorum as leader by acclamation. Similarly, Dominikus Bjordal received great support and became assistant director with responsibility for policy, and Eldbjorg Lower who will continue as organizational vice president. The national congress elected the following eight people to the party's executive committee (number of votes in parenthesis): Markus Sorensen (177), Berit Kvaeven (170), Hans H. Rossbach (169), Aud Lise Norheim (158), (158), Nanna Hovaas (131), Liv Henjum (128), Mons Espelid (127) and Havard Alstadheim (118).

Liberals' Leadership Potential

Oslo AFTENPOSTEN in Norwegian 26 Mar 84 p 5

[Article by Morten Malmo: "Liberals Lack 'Vote-Getter'"]

[Text] Alesund, 25 March--The parliamentary election next year can be either for better or for worse for the Liberals. Even though the party's national congress here in Alesund has been distinguished by a nearly stubborn, yet optimistic faith in the future, the Liberals lack a vote-getter of national

stature in the situation of the day. Without doubt the Liberal's leading politician today is party leader Odd Einar Dorum, but it is a handicap for the Liberals that he is not a member of Parliament.

During his political career, Dorum has not been known to skimp on his own energies for the good of the party--something which he personally from time to time has noted. In many ways Dorum is a "political machine" by himself and if he now had a seat in the parliament, the Liberals would have had a better possibility of being noticed. Dorum will seek a parliamentary seat in the 1985 election but it is unknown whether he will run in Oslo or in South Trondelag.

The Liberal's parliamentary leader, Hans Hammond Rossbach, is up in the air after nearly 20 years in Parliament as to whether or not he will continue. The other Liberal parliamentary representative, Mons Espelid, would like to have another four-year term in Parliament. Espelid has received high praise for his work on the Parliament finance committee--not the least because he is able to work actively on other matters as well in Parliament. This pressure from work was the reason that Espelid resigned during this national congress as vice president of the Liberal Party.

Eldbjorg Lower, the Liberal's organizational leader is not aiming for national politics in the parliamentary election. He will concentrate on the job of county council chairman in Kongsberg. The new name among the Liberal's top leaders--Dominikus Bjordal, the county council chairman from Olen--is an unwritten page in national politics, but is extremely popular in his home district. Bjordal was chosen by BERGENS TIDENDE as "politician of the year" in Hordaland.

The 50-year old Bjordal insists that the Liberals must now seek to work with the Labor Party. He confirmed this to AFTENPOSTEN. If he is to run for a seat in parliament, he will need to defeat Mons Espelid in the nomination from Hordaland. Concerning this, Bjordal himself says, "What will be, will be. . . ."

Dominikus Bjordal has been a member of the Liberal Party for over 20 years and previously has been Liberal county chairman in Nordland while he worked for the Civil Defense in Bodo. Bjordal also participated in the Liberal's historic national congress in Roros when the party spluttered over the UN affair. Cooperative efforts across party lines is also something Bjordal has good experience with from his home district of Olen which is located about 4 miles from Haugesund in the direction of Odda. The Liberals hold four seats on the town council, as well as the chairmanship.

It says something about Bjordal's position in the local community that he is in his fifth year as chairman. When he first became chairman, he was elected from a regional list. Bjordal has also been chairman of the Norwegian Hunting and Fishing Society for six years.

The Liberals' newly installed general secretary, Anne-Lise Bergenheim, can become a strong card for the Liberals, but the party will certainly have to

work to get her into Parliament. Known as she is from her years as leader of the Norwegian Nurses Association, there are many who say that here is a future "vote-getter" for the Liberals, but she must also be exposed politically.

She expresses herself clearly and well--an ability which not all would associate in the first instance with Liberal politicians.

Do the Liberals have other top politicians to throw into the battle for voters? Helge Hveem, the Liberal's platform-program committee stands well within the party and has appeal, but has not wanted to undertake the task. Neither has journalist Arne Fjortoft who is still a "hot" Liberal name. For the moment it does not appear that there are any among the young Liberals with leadership potential which the party can use at the very top level.

Labor Party on Liberals' Support

Oslo AFTENPOSTEN in Norwegian 26 Mar 84 p 5

[Article: "Gro is Happy with the Support"]

[Text] Labor Party leader, Gro Harlem Brundtland, expresses happiness over support from the Liberals but will not further speculate now over the nature of the cooperation in light of the Liberals' treatment of the issue during the national congress in Alesund.

"I am pleased that there are so many Liberals who have the same view of issues and policies as the Labor Party," she said in a short radio commentary yesterday evening.

She was satisfied with the support in the battle over setting a development course. But she believes that there is no basis for speculating over the nature of the cooperation and referred to the Liberals' current resolution of cooperation. She also declined to say anything about the hypothetical basis for the Liberals winning 4-5 seats in Parliament in 1985. "We must first clarify the actual governing alternative," she said.

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CSO: 3639/95

CASANOVA DISCUSSES CAREER, PCP'S STATUS

Lisbon EXPRESSO in Portuguese 7 Jan 84 p 9

[Interview with PCP's Jose Casanova by Maria Joao Avillez; date and place not specified]

[Text] He, a rising star? The idea seems to horrify him.

"Our party is not an astronomical observatory with rising and fiery stars. There are no stars here!"

The tone was set or...there was nothing new in the East.

Jose Casanova, aged 44, a full-time official of the Portuguese Communist Party [PCP], a native of Couco, son of workers, with one of the strangest promotions within PCP, has nothing (it is a fact), actually nothing new to tell me; and, what is even worse, to say.

All morning long, in a cold room at Soeiro Pereira Gomes, he submitted amiably to the avalanche of questions that I put to him, showing an amazement that seemed sincere at my inquisitiveness in speaking with him, and only said that he was from Benfica and had two children, a boy and a girl.

"But...I see no good reason for your wanting to talk to me. It doesn't seem to me that I could tell you anything of interest."

He does not attach the slightest importance to the fact that he participated, alongside of Cunhal, at the most recent PCP rally held not long ago in Lisbon, where only the two of them spoke. He even thinks that this has already occurred more than once, and when I ask him where and when, he claims that he does not remember.

When I point out to him that he belongs to the Central Committee and that, this year, he rose from alternate to active member of the party's Political Commission, noting that he is a "persona gratissima" [most acceptable person], he comments: "When we are called upon to assume responsibilities, that call is based on a positive assessment of our work."

He speaks to me almost always in the plural which, after all, is natural. In PCP, the collective neutralizes the individual. Jose Casanova does not

dissent, either in essence or outwardly. Better yet: He sees no good reason for dissenting, because the question does not even occur to him.

Born in Couco

He was born in Couco, a part of the country predestined for the future, which will become his own:

"You know that in Couco..."

The implication is: In Couco, there are no liberals. Both of his parents are militants in the party, and so are his siblings:

"Well, of course it holds some importance to have been born there (he hesitates), but I would be a Communist wherever I was born."

He was imprisoned at the age of 19, and spent 5 months in Aljube. However, he worked with his father on civil construction from the age of 11, having left school after his primary education.

In 1960, at the age of 21, he was jailed again. This time, he spent nearly 6 years in Caxias, Peniche and Pacos de Ferreira; because "the penalties almost always entailed transfer." Like any other Communist, he would tell me: "Prison was a very difficult experience, but in the realm of human knowledge, it brought (him) many advantages."

"I came to know people better. I learned a great deal about human nature. Don't you think that having one's eyes and ears open wide to the experiences of others alone brings advantages?"

I think so; it just doesn't seem to me that, for this, one must necessarily be a Communist or be in prison. I ask him, rather, what the force was that prompted him to continue believing in and pursuing an ideal without becoming despondent.

"Making a contribution toward improving things; trying to improve the country's conditions."

However, the post-prison period was a difficult time for him. There was something like a "time-lag" between him and the world. Actually, the first word that he chooses is "disillusionment." Then he prefers that I write "time-lag."

"The people out there were not the same."

Caught between the fear of another imprisonment (he had been warned that this would happen again) and the "time lag," he opted for "escaping." And he remained in Belgium until April 1974, working in a Portuguese Communist cell in Brussels.

Ten years later, he tells me all this without emotion, like something natural. Isn't the party his life?

"To me, the party is far more than a profession. Actually, saying that I am an official does not please me, and it doesn't even define my activity exactly. It transcends that bureaucratic connotation."

The activity?

As soon as he arrived in Portugal, in 1974, he was assigned to the party's organization office in Lisbon. In 1976, during the course of the Eighth Congress, he joined the Central Committee.

"It was a pleasant surprise..." He blushes, but hastens to add: "Being a member of the CC does not bring advantages of any particular kind as it does in the other parties, but rather more responsibilities."

I insist on learning concretely what his work in the "Lisbon organization" consists of.

Who Is Totalitarian?

"I work directly with the city, with the militants who live or work in Lisbon. This means bank workers, insurance workers, office workers and company cells: It is a lively, diversified job!"

But he prefers to talk about figures rather than specify tasks, which he purposely seems to want to leave vague.

"In 1979, in Lisbon, we numbered 45,000; now we total 52,215."

His eyes shine under the thick, dark, very curly hair, and I sense that he is letting himself be carried away by his own pride: He extols the party, the militants' work, the intensity of the discussion and the breadth of the internal debate.

And, almost candidly, he asks:

"What other party has held a debate with the breadth of the one that we have just carried out at our congress in Porto?"

I respond to him: with the total lack of theoretical production, of innovation, of ideas of its own; with the immutability of decades, with the predictable, with the non-existence of a press to carry that debate which they claim exists, and is even profitable; with the lack of autonomy and the stifling imitation of the Soviet Union; with sectarianism and Manichaeism...

He listens to me with the almost pitying impassiveness of those who know and are nurtured on the certainty of having the truth in their possession. And then, in an also kindly tone of voice, he informs me that I am the one who is mistaken, obviously. But it doesn't matter, he explains to me:

"We do not have, PCP does not have a totalitarian proclivity. What prompts me to say that? This government is totalitarian, and the counteroffensive of the reactionary forces that want to destroy the conquests of April is totalitarian. Our television and our government are imitators, and subservient toward the United States. That is what being an imitator is."

I select a "conquest of April": the nationalizations and the loopholes involving millions of contos per month that they cost. He is not disarmed and, very seriously, uses in his explanation the very familiar PCP vocabulary:

"In 1974, the nationalized sector was a measure that we considered very constructive and a conquest by our people, and it did not last longer because there was and there continues to be a boycott action and a destructive action against those enterprises and those economic transformations."

The 'Cassette' and the 'Slogans'

What about "slogans" and "cassettes"?

"The 'cassette' is something that you say about us. If we use 'slogans' it is because this befits the intensity of an analysis."

Actually, he has no doubt that, "There is a special lens for viewing PCP's activity in very extensive sectors of the news media, this newspaper included!" he retorts.

A change of subject: the internal debate, theoretical production, the stringency of the analyses....

"Without failing to consider individual responsibilities, PCP is the party in which collective discussion and work are more decisive to its operation than in any other party. Certainly, no other one has undertaken a discussion as extensive as the one here...."

To reach what? What conclusion? What innovative course of action?

There is a slight annoyance: "Why does our debate have to presuppose or put forth new ideas?"

He pauses: "One's own ideas can coincide with the ideas of others! Why is it that an idea loses strength or value if it coincides with another one that has already been expressed? Or do you think that the only innovators are those who publicly express opposition to the Soviet Union or to any other country?"

And, like someone giving friendly advice: "To evaluate the degree of independence in any party through positions which agree or do not agree with those of other parties is an erroneous method. The best way of observing how PCP conducts itself is by watching how it operates in relation to the country."

What does PCP have to offer the country? "In the theoretical realm, we have prepared a document of great quality, containing a detailed analysis and describing the prospects that are facing our people at present. And we cite hundreds of examples supporting our analysis precisely. Have you ever read such a thorough analysis as that?"

He talks to me again about figures, nearly suffocating me with them. I respond to him with different figures: the sacrosanct nearly 20 percent which has sustained the PCP's growth since 1974... Here I am, making another "mistake": gaging the capacity of a party by its number of votes:

"Our social base is far greater, far broader than the one shown electorally. The votes are far removed from coinciding with our social base of support."

So much so (he goes on to explain to me) that, if I note carefully, exactly the opposite holds true of the other parties.

In other words: "With PS [Socialist Party] and PSD [Social Democratic Party], it is the opposite: Their social base of support is virtually non-existent... There may have many votes, but they don't enjoy the same support that PCP does."

The Fault of 'Disinformation'

And when I ask him what strange reasons have caused these countless workers who back PCP socially, in a democracy, with a freely expressed vote, not to vote for it, Jose Casanova is once again, and perhaps without realizing it himself, predictable, repeating the platitude:

"This is a result of the campaign of disinformation carried out against us, and the natural difficulties of the situation currently being experienced in our country...." And suddenly, in a different tone: "But have you noticed how this year of 1983 has been a year of widespread struggles on the part of the Portuguese labor movement?"

The conversation continues to revolve around "slogans" that have been previously agreed upon, stereotyped and lacking in spirit and soul.

To Jose Casanova, a PCP official, the world is divided, in fact, between the "good" and the "bad": For example, Reagan is on one side, and Andropov on the other. Wasn't the Soviet leader "willing to negotiate" the issue of the missiles (the Americans were the ones who ruined everything)?

A Nice Martian

He explains all this to me, sometimes stating it explicitly, without ever raising the tone of his voice, but always in a pleasant, affable manner, with a note of persevering hope in his voice which positively fascinates me.

We agree to talk again, but I do not leave the PCP headquarters without his giving me the final message:

"I don't have the slightest doubt that we shall arrive at socialism here in our country, with PCP..."

He does not seem particularly moved or impressed by the debate that is under way universally regarding the real significance (and efficacy) of socialism, the failure of the systems and societies in the East, and the meaning implied in the continued demarcation of borders for left or right; and, in particular, the interesting and intensive search that has arisen everywhere, for something else.

I am left with the strange impression that beside Casanova, Cunhal is a kind of choirboy, or prince.

"Upon my departure, he asks me: "Are you disillusioned?"

But, how can I explain to him that it is all light years away from mere disillusionment? After all, it was as if I had been talking with a nice curly-haired Martian wearing tennis shoes....

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CSO: 8142/1044-A

VIEIRA DE CARVALHO DISCUSSES CURRENT ISSUES, CDS POSITIONS

Lisbon O DIABO in Portuguese 28 Feb 84 pp 10-11

[Interview with CDS Secretary General Jose Vieira de Carvalho, by Miguel Alvarenga; date and place not specified]

[Text] At the point of presenting to the Portuguese people the course of action that it would pursue in the event that it came to power, in other words, its "shadow government" program, "sectorially organized to be the alternative to the central bloc," CDS [Social Democratic Center Party] is currently, nearly a year away from the presidential elections, a party watching the parade of various candidacies, without an option yet decided on, but awaiting the "yes" from its former uncontested leader, Prof Diogo Freitas do Amaral. It has not clearly said yes or no to Mota Amaral, but the chances of backing the candidacy of the head of the Azores regional government appears to be devoid of essence, when CDS claims that it must find, at least by the beginning of June, "a national candidate as an alternative to the central bloc."

These and other issues were the topic of an interview with the party's secretary-general, Prof Jose Vieira de Carvalho. For nearly an hour, and following the challenge made to the government in the Assembly of the Republic, Vieira de Carvalho cited "the record attained by the present bloc coalition in the areas of inflation, unemployment and failure of business firms," demonstrated the urgent need to undertake an economic revision of the Constitution, claimed that "Camarate is not a closed case for CDS," and made it quite clear that "the party is not stalled," and "will carry on its work in the opposition," enlightening the Portuguese people, and indicating alternative solutions "for the government's disastrous policy," as well as proposing measures "for emerging from the crisis."

'Recreating the State'

"There are many shadows hovering over our future. Many of them (claimed Adelino Amaro da Costa, at the then Constituent Assembly, on 7 January 1976) are related directly, and increasingly so, to the economic situation. And we must not have illusions: The Portuguese economic problem continues to be primarily a political problem. To be sure, a first, important question needs to be asked: How can there be an economic recovery without the necessary governmental stability and consistency?"

Eight years later, again in the opposition, CDS is citing governmental instability, the incredulity of the Portuguese people and the need for solving the economic problem. It depicts itself to the country as "the only democratic alternative to the central bloc," and claims that it will very shortly announce its government plan, its fundamental options for "changing the groundrules."

[Question] Prof Vieira de Carvalho, what options, what change, what alternative?

[Answer] I would say that, at the present time, it is almost necessary to recreate the state. The government promised a set of measures that could really lead to a strengthening of the state and an improvement in the economic and social living conditions of the Portuguese people. Almost a year ago, all this collapsed, the economic, social and political conditions deteriorated increasingly and the government attained record inflation, unemployment and failure of business firms. Only the government, not the opposition, is responsible for the chaos that the country has reached. CDS has clearcut options, and they have been asserted in several documents and statements; all of them converge in the principles of our program which govern our party and which are attested to in various parts of the world.

'Shadow Government' Is Coming

[Question] But, specifically, what alternative does CDS have to put an end to the country's economic, social and political deterioration?

[Answer] Last Saturday, at the National Council meeting, the commission was set up that will be responsible for creating a CDS government program, which will be presented to the Portuguese people very shortly, and which has been organized sectorially, to serve as an alternative to the "central bloc."

[Question]...But even if it has been created, that program would be enacted only if CDS came to power.

[Answer] Correct. At the present time, CDS is the only Portuguese party that has not yet been in power. We have already had a share of the power, but we have never had a CDS prime minister. And the one who determines the government's political strategy, the one who is really the power, is the prime minister. As we have stated on several occasions, CDS will only return to the area of power on the day when it can name its prime minister. It may take more time, it may take less time. We shall manage an attempt to create conditions for that alternative, and actually, it is only under those circumstances that CDS will assume the responsibilities involved in power. Until then, it will attempt to carry out its work in the opposition, enlightening and training the Portuguese people; and only in this way shall be able to implement the courses of action, the solutions that we advocate.

'The Side-Line in the Mid-Field Area'

[Question] During the months following the office-taking of the present government coalition, CDS was stalled, and the opposition was virtually "commanded"

by the Communist Party. Only now does the party appear to be finally in agreement and proving that it is alive. What happened to CDS? Is it still an insecure party with the departure of Prof Freitas do Amaral? Is it still the reflection of the internal division which ended with the existence of two factions at the Hotel Lutecia congress? What will it do as an opposition?

[Answer] I would say that CDS, without having stalled, went through a phase of reorganization and restarting, after the results of the 25 April elections. And I might add that CDS has never been a disunited party.

[Question] Then it is the line of Luis Barbosa, at the Lutecia congress?

[Answer] I don't know whether it is realized, but for many years I have been a man associated with sports, more specifically, with soccer. I was goal-keeper for the Porto Soccer Club, and I played until the age of 24. If I may, I shall use a soccer term to describe the spokesmen who, now or at other times, disagree with one or another of the party's orientations. What may be considered at present a division within CDS is very insignificant. It is a kind of "sideline throw in the mid-field area." And that holds no importance for the game. CDS is currently a united party, and it is united around its presidency.

Economic Revision of the Constitution

[Question] In the challenge made to the government, CDS cited the need to revise the Constitution economically. In the party's view, is that an urgently needed task for emerging from the crisis?

[Answer] In our opinion, the determination of an overall economic policy that must necessarily entail an economic revision of the Constitution is an urgently required task for putting a stop to the disaster that we have reached. CDS has been saying this for a year. I am pleased now to note that, as soon as CDS' challenge of the "central bloc" government was announced, the ministers of finance and industry demonstrated that CDS was right after all, and hastened to assert the need for that revision. It's a pity that PS, at the time that the constitutional revision was made, did not realize that it was necessary to take considerably more decisive steps, and not halting ones such as the ones that were taken.

[Question] At the time that the revision was made of the Constitution, CDS was in the government, in a coalition with PDS [Social Democratic Party] and PPM [Popular Monarchist Party]....

[Answer] Well it was, but the possible revision was made, not the necessary revision. As you know, it was made with an agreement that went beyond the parliamentary majority comprised of the so-called Democratic Alliance. Within those legal stipulations, I repeat, the revision that was possible to make was made. At present, the Socialist Party, judging from the comments made by Minister Veiga Simao, appears to be finally admitting that more important steps should have been taken. Better late than never....

Presidential Candidate Will Arrive at the End of Spring

[Question] A few days ago, Dr Lucas Pires indicated the need for finding "a national presidential candidate, as an alternative to the central bloc." If Prof Freitas do Amaral does not become a candidate, what other nominee would CDS back?

[Answer] I think that there is only one candidate, almost announced, namely, Dr Mario Soares.

[Question] And Dr Mota Amaral....

[Answer] Right. I have followed the advent of the various candidates, from here and there. CDS has not made any decision in this regard. It is an issue that will be discussed and settled in time. I think that, by mid-spring or the beginning of summer, CDS will introduce its candidate for the 1985 presidential elections.

[Question] But what if Prof Freitas do Amaral is a candidate....

[Answer] I have actually heard that candidacy announced by some sources. But that will depend only on Prof Freitas do Amaral. He, and he alone, will decide whether he is a candidate or not; and, obviously, if Prof Freitas do Amaral agrees to be a candidate, that candidacy will of course tell CDS a great deal.

CDS Attentive to the PSD Congress

[Question] If Freitas do Amaral does not enter the race for Belem, and CDS continues the search for an "alternative candidate to the central bloc," will it back Mota Amaral?

[Answer] Insofar as the PSD candidate is concerned, I think that it is a matter of exclusive concern to PSD, which I think it will deal with at the Braga congress. I have followed the various positions that are taking shape within PSD; we are monitoring the expression of those same positions carefully and with interest, and I have no comment to make on the various candidacies that are taking shape in PSD, inasmuch as that is an internal affair of the Social Democratic Party. It will be settled within the party and on its own premises, at its next congress; unless PSD decides to postpone the issue, which could prove serious for the area of power in which it is included.

[Question] But will CDS back the potential candidacy of Mota Amaral, in the event that Prof Freitas do Amaral says "no" to the race for Belem?

[Answer] As I told you, CDS has no option made yet regarding the presidential elections. At the end of May, or the beginning of June, it will announce to the country who its candidate will be.

'Camarate Is Not a Closed Case'

[Question] All right, then, we shall wait for June to learn who the CDS candidate is. Another question, Prof Vieira de Carvalho: PSD, through the motion submitted to its forthcoming congress by the so-called "Lisbon group" of Marcelo Rebelo de Sousa, returned to the political scene the controversial "Camarate case," demanding further explanation of the affair. CDS has remained more or less silent concerning this point. Is the "Camarate case" a closed matter for CDS?

[Answer] I would say that, in the light of the Portuguese people's conscience, the Camarate case is by no means a closed matter. And when I mention the Portuguese people, I am not referring only to those in the political area of victims of Camarate, those who died in Camarate. I am referring to the broad context of Portuguese people, far exceeding that political spectrum. Actually, the Camarate case is not and cannot be a closed case; it is an extremely obscure case. Even recently, some statements made by Prof Freitas do Amaral in Porto on the occasion of the anniversary of Francisco Sa Carneiro's death, reflected, on the part of a man who has the authority which he has, and who for many years was undisputed leader of CDS, this thinking of the majority of the Portuguese people, who wonder and will continue to wonder about the Camarate case and about the way in which it was conducted.

'High Authority Has a Lesser Statute Than It Should Have'

[Question] In recent statement made in Lamego, you accused the government of corruption. Would you care to be more specific about that accusation?

[Answer] I say that poverty, injustice and unemployment breed corruption. I did not accuse the government of corruption, but I did accuse it of breeding....

[Question] Which is almost the same thing....

[Answer] No it is not. And I shall explain it to you: On all levels, we are witnessing a progressive deterioration in the country's economic, social and political conditions. The government is the only one responsible for the state that we have reached. Democratic ethics and dignity demand the total explanation of situations such as that of the Lamego Chamber, and that of the two members of the government, Custodio Simoes and Mesquita Machado. But we have not seen anything of the sort.

[Question] Even though there is a so-called "High Authority Against Corruption." Prof Vieira de Carvalho, how do you interpret the High Authority's silence?

[Answer] I have followed the reports that have been appearing in the newspapers, which unquestionably constitute a serious concern in this area. I don't have the slightest knowledge of the work that has been done by the High Authority, and I don't even know whether it has been given effective facilities for taking action against corruption. However, I think that the High Authority has a lesser statute than should have been given to it. And I don't know what facilities it

has at its disposal. But, I wonder, have there been any? And if the High Authority is an entity appointed without facilities for engaging in the urgent, enormous tasks that should be required of it, can the country really expect anything to be accomplished in that area? The dismissal of two members of the government itself, and we don't know whether that is the only instance, makes it more than obvious that action is urgently required in the area of corruption.

2909

CSO: 8142/1044-B

LEADING OFFICIALS REACT TO ABORTION LAW

Lisbon EXPRESSO in Portuguese 4 Feb 84 pp 12-14

[Article by Francisco Belard and Joao Carlos Espada: "The Church and the Authorities"]

[Text] The recent discussion of the decriminalization of abortion has rekindled a long-standing debate: to ascertain whether (and to what extent) the Church should intervene in politics. In this specific instance, the issue has been associated with others, namely, that of whether (or not) abortion is permissible on the basis of ethical principles or natural law, and not religious principles per se; and distinctions have been made among the various interpretations of what is intervention and what is political. In addition, the new Concordat between Italy and the Holy See has caused a reconsideration of the topic of the relations between Church and State, faith and politics. The discussion of this issue will most likely never end, and fortunately; what seems necessarily to be rejected is its long-lasting suppression, with the most varied excuses (as is customary in Portugal), subsequently reappearing in the form of opportunism and taking advantage.

The "religious question" was particularly sensitive during the First Republic. The conservatism of the clergy and of Catholics as a whole was at odds with an anticlericalism that did not contribute (on the contrary) to progress in the Catholic mentality in the direction that the Republicans themselves wanted. In response to the Jacobine aversion to the Church, the latter ceased its association (at least in its public image) with the following regime. For decades, the New State claimed Catholicism and the social doctrine of the Church, attempting to convince people that Christians could not be on the other side of the "barricade" or the "turnabout" (significant terminology); or even claiming a unanimity in favor of the regime which would befit a Catholic country with "historic essence."

The 1960's

During the 1960's, this situation began to change substantially, for highly varied reasons, from the Church's renewal in other countries (even before Vatican Council II) and the disenchantment of some Catholic leaders backing the regime to the emergence of new ideological groups on the opposition, and

including the student crises, the war and other factors of concern and debate. Among Christians, there developed the notion that faith did not demand adherence to a particular regime; and, to many, that it even required respect for the different trends of opinion, "especially" freedom of speech, of thought and of political and trade union association. Meanwhile, the opposition began realizing that the change in regime could not be accomplished in opposition to the Catholics, nor very likely without some sectors thereof. In the 1965 "elections," groups proclaiming to be Catholic published manifestos with opposing contents; in those of 1969, all the "electoral commissions" took care or realized the need to include Catholic militants and intellectuals on the tickets.

These are only a few aspects of a complex evolution which involved many other elements. For the present, what is important is to stress the fundamental duplicity that marked some of those alliances between Christians and political forces. The regime deposed in 1974 considered it bad for the Church (from the hierarchy, which had attempted to limit legitimacy of expression to Catholic thinking, to the rest of the clergy and the laity's organizations) to "meddle in politics," except when it did so on the former's behalf. The opposition viewed favorably the Catholics' adoption of political positions, to be sure, because they were beginning to be in the direction of democracy quite often. Catholics (and former Catholics) were distributed among several ideological sectors.

If there was an area of natural harmony with the political preferences of post-Conciliar Catholics, it was that of democracy and pluralism, and not of a single party regime or one with censorship, such as the one at that time. But, in this respect, the mutual liking between Christians acknowledged as such and other single party ideologies, now on the side of the "left," does not cease to be somewhat contradictory. However, one should avoid depicting in a cynical, Machiavellian manner the history of a political and intellectual relationship between Christians and non-Christians which transcended several misunderstandings and tragedies during preceding decades, and often managed to bring a new dimension to the depressed and repressed Portuguese political environment of the 1960's. We may recall instances such as the crisis of 1969 in Coimbra, and repercussions in Lisbon, the associative movement at the university in 1965 until the beginning of the 1970's, the magazine O TEMPO E O MODO (first series), the 1969 elections and the "liberal wing" itself.

The Post-25 April Period

After 1974 (and particularly after 1975), it began to be less relevant to proclaim a religious affiliation in the context of the political struggles, especially among the left and the democratic parties as a whole, with the exception of CDS [Social Democratic Center Party]. But, strangely enough, there began to appear among right wing sectors an exploitation of Catholic sentiment for political purposes, particularly in parts of the north, or through certain news media. That utilization did not generally stem from more responsible members of the hierarchy; the bishops, based on their own tradition, their spirit of moderation or their desire to preserve their independence and

their aloofness from political episodes (and some, perhaps, because of a bad conscience involving complicity or silence with regard to the previous regime), remained discreet observers. A few violent or virulent exceptions have not nullified the rule.

The new feature of the abortion issue lies in the public confrontation that has occurred, specifically, through members of the episcopate and PS [Socialist Party], between the Church and the world of politics, ending several years of diplomacy based on adulation and some amount of gain. Amid the general dignity of the debate, we have heard outcries about "a country of assassins" allegedly being planned (bishop of Leiria); while, in the opposing camp, some seemed to be resuming the old proposition that the Church is only "for such matters as Masses." Few interpreters of those radical sentiments could withstand a comparison with what they themselves were saying (or keeping quiet) years ago, when applying the same principles to different situations.

The Realm of Faith

How far can the principle (which everyone claims to accept) that the Church's institutional remarks must be aimed at conscience, and cannot be voiced to the government's organs extend? To some, such remarks can go as far as recommendations for the direction of one's vote, whether by taking a stand on a concrete issue, or recommending the selection or rejection of parties whose position on a certain issue is known. That instance is rather uncommon, and the Church itself reserves that right in situations that it deems extreme. Another problem is that of identifying the areas wherein the political intervention of the Church, as such, is pertinent; for example, does it have the right to propose conscientious objection or civil disobedience toward certain laws of the state?

Some (specifically in the Church area) would say yes, when such laws violate religious freedom, human rights or natural law. From this there arises a "sub-question," namely, that of determining what comes within the scope of natural law. Again, there may be some who, insofar as the right to life is concerned, regard homicide, the death penalty and abortion as similar. Others may claim that the death penalty is not "legal homicide," and still others may add that abortion has nothing to do with this. In the latter case, the definition of the time when the right to life starts has been subjected to scientific, ethical, legal and religious considerations; and even with a hypothetical consensus on that definition, one problem would remain: Should the Church excuse itself from publicizing the direction that it would like the citizens to choose? If it did so, it would be left in a very vulnerable position; if it failed to do so (and let us consider cases other than abortion), it would be subject to the usual charge that "it has washed its hands," and would be left in the vague, abstract realm of principles, lacking the courage and candor to be specific. To quote a legal saying: "One who wants the ends, wants the means." And in democracy, the means include voting. But the rare nature of such direct public positions on the part of the Portuguese Church, and the traumas of the past (even recent), reinforce the unfeasibility of a position of this kind. It should be noted that the case of abortion is an extreme one, and more than

one bishop has declared that the position of the Church is perpetual and irreversible, even if only a single Catholic approves of it.

The Secular State

Antonio Maria Pereira maintains: "In a secular state such as ours, the Church has the right to uphold its theories, but it does not have the right to intervene in the life of the institutions." This is also the view of Miguel Veiga, who thinks that, "The Church should not engage in politics; in other words, it should not intervene, as such, in the debates which, at every period of history and under certain social conditions, attempt to determine the best solutions of a legal, economic and social type for organizing and administering the state."

Miguel Veiga associates his reasoning with an argument difficult to understand. He bases it on the constitutional definition of the democratic, non-denominational and secular state of law, centered upon the principle of separation of Church and State. And he maintains that there is derived from this a fundamental diversity in the nature, scope and functions of the temporal power of the State and the spiritual power of the Church. The State must be non-religious, guaranteeing freedom of worship. And the Church must guard itself from direct political intervention, because "not only is Christianity not a political doctrine, but there is no stringent Catholic political doctrine."

"The same Christian faith can lead to different commitments," concludes Miguel Veiga, quoting Paul VI.

From this perspective, it would be only natural for Catholics to attempt, through legal and constitutional means, to impose the orientation of public life and laws according to the principles of moral doctrine that they profess. "But therein lies the crux of the issue," resumes Miguel Veiga, "because from that perspective Catholics intervene as citizens and through legal means, in a secular state, separated from churches, which must ensure freedom of worship."

Luis Moita has a different view. He disagrees with relegating faith to the realm of a merely individual phenomenon, and thereby precluding the possibility of collective intervention for the Christian communities as such. "Even if this were done in the name of a leftist position (and that is usually what happens), this theory reinforces the more conservative Christian position, the very one that makes an individualistic interpretation of the Bible. Now the rereading of the Bible by the Christian progressive movements has stressed the social tendency and the message of liberation therein." In Luis Moita's view, therefore, the problem does not lie with the limits on the Church's intervention (it intervenes in Latin America, and the left does not protest against that), but rather in the type of that intervention. "The real problem is that the Church, a power in Portugal, usually intervenes in an authoritarian, Manichaean tone, cut off from the basic Christian communities and, as a rule, the direction of that intervention is conservative."

Maria Belo's opinions are partially of this sort: "Theoretically, the Church has no right to intervene in political activity, owing to the secular nature of the State. But, at the same time, it can express views on problems which affect individuals, which is a way of intervening." According to Maria Belo, in a democratic State the problem would lie essentially in the demarcation of that real power of intervention:

"A distinction must be made between the mere expression of opinions and direct pressure on the institutions which would represent an attempt to dictate laws to the State."

And Maria Belo thinks that, theoretically, even the Church's instruction to vote or not vote might be acceptable:

"Since the vote is secret, the final decision is incumbent on each individual. So it could be claimed that there is no intolerable pressure on the institutions in this, but merely an extension (disputable and, in my view, rather unwise) of the right to express views. As I see it, only direct pressure on organs of sovereignty unquestionably exceed the Church's scope for action. This would hold true, as has been reported, of the excommunication of deputies."

Portuguese and Christians

D. Jose da Cruz Policarpo, auxiliary bishop of Lisbon, agrees in this respect with Luis Moita's argument, although his conclusions regarding concrete positions of the Church are different.

"There is an inevitable relationship between the Church and the society. Christians, because they are Portuguese, belong completely to the national community; because they are believers and baptized, they belong to a community of faith which is the Church. And these two dimensions of life are not isolated from one another."

But D. Jose Policarpo admits that, in modern society, wherein secularity is an acquired value that the Church respects, "The influence of Christian values depends on the number of Christians, and their capacity for becoming a part of the structures and institutions of the secular society, therein giving witness to the evangelical values which they are constantly intensifying in their Church life."

The auxiliary bishop of Lisbon rejects the distinction between "the area of conscience and the area of politics that many have attempted to make concerning the issue of abortion. Such a distinction is impossible for a Christian. Everything that relates to the dignity and defense of the human person, individually and in society, has an ethical and political dimension. There is a political ethic, and hence politics is associated with conscience. To vote is to choose a model of society, a concrete plan, the values which inspire it and the individuals who execute it. For the Church, this is a matter of conscience."

A Critical Function

Francisco Sousa Tavares and Antonio Maria Pereira, as well as Antonio Reis and Miguel Veiga, challenge this interpretation forcefully.

In the view of Antonio Maria Pereira, the recent debate on abortion disclosed excessive attitudes on the part of the Church. "It has every right to uphold its theories, but it does not have a right to interfere in the life of the democratic institutions. The instruction on voting clearly exceeds the bounds of the Church's intervention, and threatens to reopen the religious issue, inasmuch as it threatens to convert the principles of the secular State into those of a denominational State."

Antonio Reis also thinks that the Church has every right "to uphold its traditional doctrine of the right to life, as it has done in all the countries in which the issue has been debated. But it goes too far when it attempts to make recommendations for voting, succumbing to the temptation of imposing conditions on the faithful's voting options. It is the patriarch cardinal converted into the traditional village priest."

And it is precisely at this point that the positions become markedly divided. D. Jose Policarpo, resuming his argument, maintains that the Church can sometimes become an expedient for criticizing the State.

"In relation to the State and its organs of sovereignty, the Church has great respect for the dignity of its function of service to the community, and respects its secular nature, even when those functions are discharged by Christians. The criterion for the Church's relations with those organs is always the good of the citizens, their fundamental rights and the values which inspire the society. The Church can sometimes become an expedient for criticizing the State when, in its fundamental concept and in the conduct that it lends to the society, through the laws, the latter violates the rights and dignity of the citizens. The Church is aware that, with that critical function, it is rendering a service to the human community, and hence is not violating the fundamental dignity of the State's institutions."

Hidden Power?

"As if the exaggeration of the Church's intervention in the case of abortion were not enough," says Antonio Maria Pereira, changing the direction of the debate, "PSD [Social Democratic Party] has given in to their demands, contradicting the Social Democrats' secular tradition and its own party program." Recalling the leadership of Francisco Sa Carneiro, he stresses that the current position adopted by the party would have been unthinkable at that time.

It is precisely the PSD's conduct during the entire process of discussing abortion that has prompted more questions: Why was there a change in the behavior of the Social Democrats from that at the time of Sa Carneiro, and to what extent has it charged a hidden power of the Church over the party?

According to Sousa Tavares, it is quite possible that one of the Church's channels for influence over the Social Democratic Party has been created by "modern types of apostolates or confidential association such as that of Opus Dei."

Sousa Tavares then goes on to say: "I think that the authority and the facilities that these types of association have managed to surround their activity with have given them rather extensive power, somewhat similar to that traditionally exercised through societies such as the Masons, whose influence the Church has always attempted to combat."

Nearly everyone considers the reference to Opus Dei as being pertinent, but they also admit the lack of concrete data on the extent of its influence among the members of PSD. In the end, they all agree not to confine the problem to that type of concealed mechanism, even though there an atmosphere of mystery regarding its real purpose in the air.

Excessive Politicization

The internal crisis in the PSD leadership and the leaders' electoral calculations are the reasons most often cited to explain the behavior of the Social Democrats. They all admit that there is also a natural influence, "the most genuine and real," stresses Sousa Tavares; namely, that established by the private convictions of the party's leaders who identify themselves with the Church's position on the issue.

But "that explanation is not sufficient," claims Maria Belo, "because, on the one hand, it does not explain the change of attitude among other leaders, such as Mota Pinto (whose government, in 1978, went so far as to produce a bill to decriminalize abortion). " She adds: "On the other hand, this would not explain the twofold behavior of many Social Democratic politicians who, in this process, have assumed overt positions in obvious contradiction to what they usually uphold in private."

According to Antonio Maria Pereira, the politicization of the debate, in the case of PSD, is due largely to the crisis of leadership that the party is undergoing. "PSD has always been heavily entrenched in the northern part of the country, with a Catholic majority, where the local priest has great significance. In Sa Carneiro's time, these tendencies were offset by its open, progressive spirit. With Sa Carneiro gone, the other influences remain and, if that is combined with a rather undecided leadership, a great sensitivity to the various pressures is produced; which ends up resulting in positions that are quite contradictory toward the Social Democratic tradition."

Luis Moita and Maria Belo stress the political situation and the increasing charges against Mota Pinto's group of imitating PS. "Mota Amaral's position was a deciding factor, and forced Mota Pinto to adhere to it. PSD could not allow CDS to share the Church's positions exclusively; that would exacerbate Mota Pinto's difficulties even more," emphasizes Luis Moita.

Real or Imaginary Power?

Maria Belo, Luis Moita, Sousa Tavares and Antonio Maria Pereira wonder whether the Church's real power is as great as we usually consider it to be.

"In addition to the influence established through the personal convictions of its leaders, or those of the aforementioned modern types of apostolate," states Sousa Tavares, "there is a third sphere of influence by the Church on PSD: It is the fear of the election results, based on the essentially provincial conviction that the parish priests are or continue to be major factors influencing elections."

Maria Belo stresses that there is a real deception among most politicians regarding the Church's real influence in the country. She says that, during the period of opposition to fascism, the left itself so often repeated that the Church kept the population in line "that it ended up being convinced of that." Nevertheless, she continues: "That influence is more social than directly political."

And Sousa Tavares goes further:

"Not only is the Portuguese State non-denominational, but I think that most Portuguese, even if baptized, are not Catholics, at least by faith and practice, and the Church has not yet gotten used to the idea that it is not in the majority and cannot dominate the State."

The Church and PS

In recounting the history, in 1977, of the formation of the "Socialist alternative to Marxism-Leninism," which was to develop starting in the 1960's and contribute to the conversion of Portuguese Socialist Action into PS (in 1973), Antonio Reis referred to the "major contribution" from the "renewal of the Christian experience undertaken by many Catholic militants willing to take the effort for 'aggiornamento' [updating] of the Church, started by John XXIII with Vatican Council II, to its final consequences." Between 1974 and 1976, several Socialist leaders (including Mario Soares) cited a "Catholic component" in the then young PS. Since it is public knowledge that there are countless Catholics in PS, can one still speak of such a component in terms of homogeneity of political positions? And, on the other hand: Will the conscience and discipline of those Catholics, even if they lack political specificity within PS, be more sensitive to the Church's doctrine affecting legislation than to their own party organs?

Insofar as the first point is concerned, there does not appear to be a great difference between Socialist Catholics as a whole and those in other parties (or without a party). Making the distinction between the institutional Church and the mass of laity that is the "sociological Church," one observes that the former has great preponderance over the latter during critical phases, such as during the First Republic and the early periods of the New State. Today, the situation is different, and the multitude of the faithful are dissociating

themselves more from the hierarchy and the clergy, whether out of ignorance of the doctrine, a critical consciousness or pressure from social conditions and habits. A "rank and file" Socialist militant, speaking anonymously, makes a parallel: "The 1980 elections showed that the Socialist electorate (which still likes Mario Soares) is capable of voting in a direction different from the one desired by the leader; now a similar critical essence could prevail insofar as the Church's official ruling is concerned. Most of the population does not consider those values to be absolute values; and if an individual has low earnings and his wife is pregnant, he is capable of adhering to the position of Zita Seabra, and not solely to the PS plan."

According to Antonio Reis, after 1973-74, the movements within PS "no longer had any relation to the ideological origin of each individual. It no longer made sense to speak of three movements; there was an upheaval of ideas that obliterated that mark of origin, giving rise to a regrouping of individuals, regardless of whether they had Catholic or other kinds of training. In my opinion, it makes no sense nowadays to talk about a Catholic movement in PS. The secularization was taken to its final consequences; the political position is one thing, and religious affiliation is something else. It is my impression that the Church's attitude, and it is proper that it uphold its positions, is considered an illegitimate interference when it makes the recommendation to vote or not to vote. That means making the political realm prevail over the moral one, and I presume that the Catholics in PS (probably even the majority in the party, even if they are not practicing) are extremely sensitive to that demarcation of boundaries."

Another Socialist (this one from the Catholic area), Antonio Guterres, tells us that the fact that he was absent does not allow him to improvise a statement regarding the multiplicity of issues put forth, but he remarks: "I think that the law that was passed represents an acceptable compromise between a group of concerns of a social nature associated with concrete living and a group of traditional values that are to be respected."

In fact, the PS bill maintains the unlawfulness of the principle of abortion, except under four restrictively stipulated circumstances. This has not prevented the Church from considering it unacceptable even so: because it challenges the criterion of the "12 weeks of pregnancy" (also questioned from a different standpoint in the opinion made public by the Medical Association) and other aspects of the circumstances making it lawful, and also because it admits that this law will be followed by another one for total decriminalization.

Now, let us hear from Francisco de Sousa Tavares:

"The influence of Catholics on PS is typical of an agitated Catholic sector sometimes called 'progressive,' but also at times representing the portion of the militant Church that is most alive and that has the greatest power for conquest. PS in Portugal is the heir of Jacobinism, of the anti-clerical Republicanism of 1910 and of the atheistic spirit of the 'turnabout.' That tradition has been weakened by the intelligence of a large number of its leaders and because it is actually a problem that has been surmounted historically;

although there are sometimes outbreaks of that original Jacobinism, which is on the way to disappearing, but which is still present in the consciousness of many PS members. It is a line of resistance to the influence of Catholic thought and that of the Catholics in PS themselves. However, I think that PS is extremely close to Christian ideas and to the very social principles that the Church upholds."

Episode or Shift?

Will the controversy over abortion be a surmountable episode? Or will it be a shifting point in the relations between the Portuguese Church and some of the major political forces and movements, destroying the former confidence and friendly coexistence, with lasting, unpredictable repercussions? Among those favoring decriminalization, one often hears them minimize the effects of the Church's position; the later, for its part, has made no predictions on this matter. A priest from Lisbon told us: "That logic and that accountability may perhaps be those of the political forces. We cannot give up fundamental principles. They are the ones who make the political calculations."

But while the two major camps opposed to one another on this issue are clearcut, one also notes that, on the side in favor of the aforementioned law, the approaches and the presumptions are quite varied; and on the side of the hierarchy, there are different tones in the affirmation of the principles. Perhaps there may still be a possibility of dialog.

In Quotes

"Salazar's great, unique idea was the association of conservatism with the most profound experience of the Portuguese people, the Catholic religion."
Eduardo Lourenco, at the Gulbenkian, 3 December 1981.

"I only suggest and request, quite clearly and firmly, respect, liberty and non-discrimination that are owed to the honest citizens in any civil society."
D. Antonio Ferreira Gomes, bishop of Porto, in a letter to Salazar, 13 June 1958.

"A group of Christians and non-Christians vehemently protests against the silence of the Portuguese bishops, and denounces this silence as obvious support for and complicity with the policy of colonial exploitation practiced by the Portuguese fascist government." Sign posted at the Rato chapel on 30 December 1972.

"The diocesan authority criticizes certain abusive behavior, both on the part of the group which remained in the chapel in a manner and for purposes that the same authority cannot allow, and on the part of the police forces, upon intervening in the sacred premises in the manner in which they did so." Note from the Patriarchate, 10 January 1973.

"The Portuguese Church cannot fail to set its clock according to the new national pace." Fr Fernando Cristovao, EXPRESSO, 4 May 1974.

"Cardinal Antonio Ribeiro took the initiative to hold a series of lectures on Marxism next week, for priests of the Patriarchate, at the Good Shepherd Retreat House." EXPRESSO, 12 February 1975.

"The most spectacular action came from COPCON [Continental Operations Command], during the recent pilgrimage in 1974. At that time, Fatima was militarily blockaded, under the pretext of protecting the pilgrims." Dr Luciano Guerra, rector of the Shrine.

"Gathered at Fatima, in the Bishops Conference Assembly, the Portuguese bishops admitted their guilt of keeping a compromising silence before 25 April." EXPRESSO, 21 June 1975.

"The television program 'Years of the Century' seriously affronted the memory of Pope Paul VI and Cardinal Cerejeira. All this will obviously result in an insidious attack on the Catholic Church (...), which will not allow itself to become involved in political maneuvers." Note from the Lisbon Patriarchate, 12 March 1979.

"Three years of constitutional legality have not succeeded in establishing an authentic democratic normality, cleaning the Marxist mangle from the state machinery." D. Eurico Nogueira, archbishop of Braga, O DIA, 19 March 1979.

"Modern culture is a barrier to faith." Ibid. DN, 7 May 1975.

"Christians should not ask the hierarchy, nor can they expect of it instructions on the party or individuals for whom they must vote." Portuguese Bishops Conference, 7 July 1980.

"Communists and Socialists have no respect for either God or the people. We must vote well." D. Francisco Santana, bishop of Funchal, CM, 25 November 1979.

"This Constitution is no freer nor more of the people than the Constitution of 1933. It is the most telling instance of the continuity of the political perversion since 25 April." D. Antonio Rafael, bishop of Braganca, DN, 3 November 1980.

"The late Prime Minister Sa Carneiro failed in married life and publicly assumed a behavior that the Church must disapprove, an irregular situation with harmful repercussions on the nation's soul." D. Eurico Nogueira, archbishop of Braga, DL, 22 December 1980.

"Braga's PSD has expressed its vehement repudiation of the content of public statements made by the reverend archbishop of Braga, which it considers highly offensive to the memory and the respect owed to Sa Carneiro." DP, 2 January 1981.

"The individual sometimes thinks that he is engaged in politics and, perhaps, he may be acting in the religious realm; or else he thinks that he is in the religious realm and he is actually in the political realm." D. Eurico Nogueira, archbishop of Braga, TEMPO, 1 October 1981.

"Sexual relations outside of the married state constitute a serious disorder. Virginity is a vocation for love; it leaves the heart freer to love God." Document from the Vatican, 1 February 1983.

"Priestly celibacy is a privileged expression of love and, at the same time, constitutes a strong sign and incentive for love." D. Antonio Ribeiro, cardinal-patriarch, DN, 17 April 1981.

"The Church should have radio and television in order to be able to play, in this news medium, the most urgently needed role marked by partisan independence, political impartiality and proper, worthy, reliable reporting." D. Antonio Rafael, bishop of Braganca, O DIA, 30 January 1982.

"All citizens with an upright conscience are obliged to assume a position of firm disobedience (...) and not to cast their vote in future elections for individuals and parties which have approved of the law to decriminalize abortion." D. Antonio Ribeiro, cardinal-patriarch, 22 January 1984.

"The position of the Portuguese bishops lacks grounds, quite simply because it is aimed against a specter. Disobedience to what, if the bill is not binding on anyone? How is it possible to disobey what is not imposed?" Sottomayor Cardia, in AR, 26 January 1984.

"It does not seem wise for the Church to want to start a religious conflict in the defense of a sociopolitical statute which is currently not accepted by a large portion of Portuguese society." Communique from a group of Socialist Catholics, 24 January 1984.

"May God enlighten the Socialist intellect." D. Antonio Rafael, bishop of Braganca, O DIA, 26 January 1984.

2909

CSO: 8142/1044-D

LUCAS PIRES DISCUSSES FUTURE OF SOCIAL DEMOCRATIC CENTER PARTY

Lisbon EXPRESSO in Portuguese 11 Feb 84 pp 22-23

[Interview with CDS leader Francisco Lucas Pires by Maria Joao Avillez; date and place not specified]

[Text] CDS has wandered far, "and yet well," according to its leader, "from the political spectacle, the stage and the footlights."

Francisco Lucas Pires, aged 38, a Christian Democrat, thinks that it is better so; and, therefore, he is now keeping himself occupied "organizing the decentralized affiliates of his party, and uniting its international affiliates." But he is doing all this with his eyes carefully fixed on and watchful of the national political scene, not allowing anything to escape him. With the strength, forcefulness and irony that mark his personality, and his way of analyzing things and the political phenomenon, Lucas Pires traveled with EXPRESSO to the coalition, the presidential elections, the "black paper" that he signed some time ago concerning the government's activity, PSD [Social Democratic Party] and, to be sure (tardily) his own party. As for himself, he appears to be in full form. And if it appears difficult (or should one say impossible?) to lead CDS to glory, it is not for lack of intelligence, clearheadedness or patience on the part of its principal leader, for that will take some time to be accomplished.

EXPRESSO: Why are you granting this interview? Because at this point you think that you have something to say, because you have not spoken for a long time, or...

Lucas Pires: I have not spoken with EXPRESSO for a long time. Speaking through certain newspapers is in part a means of identification with the public that they have. It is a trip to that public, and I have not taken that trip for a long time.

EXPRESSO: In this connection, what type of public do you think EXPRESSO has?

LP: It is an inquisitive, liberated public, which always has a bit of intellectual interest.

EXPRESSO: What have you been doing with yourself? You wrote a "black paper" on the present government, you appeared in Parliament at the time of the great debates...in other words, you have confined yourself to specific actions. During the intervals between them, what have you been doing?

LP: In the intervals between these things I have concerned myself with action of a regional and local nature, because I think that much of the consciousness of the country and the party lies outside the country, and it needs to be revived. It is easier to go from Braganca to Lisbon, and solve a political type problem here than it is to go from here to Braganca and explain there the thinking of the politicians!

On the one hand, I have concerned myself with organizing the decentralized affiliates of CDS; and, on the other, organizing its international affiliates.

EXPRESSO: Are you actually telling me that you give Lisbon and its politicians a certificate of minor status or, less forcefully, that you confer a minor status on the capital's political scene?

LP: That is true and it is intentional. Of course it is because an opposition party has to be more of the people than of the government. And although we have not arrived there yet, the path is in that direction.

Positive Signs

EXPRESSO: Will you ever arrive? The impression that one has is that CDS has stagnated: it is not rising nor declining; or rather, come what may, CDS never wavers, or seldom wavers...

LP: Yes, we shall arrive. We began by being subjected to a resistance test, with the constant allegation of internal problems, and we are still obviously being subjected to a patience test which, in a way, is a criterion of political strength. But, of course, we shall reach the phase wherein those problems will be solved and CDS will find its electorate increased. Moreover, the signs mean more to me than all the rest; and the signs are now rather positive. And, right now, I would add that the government, until recently, enjoyed credit, which was natural, but which has now started to be completely exhausted.

EXPRESSO: But you didn't even give it that initial credit! Less than 3 months after the government took office, you wrote a "black paper"! Looking back now, doesn't it appear to you to have been excessive, or improper, for you to have written it at that point?

LP: It was to record falsehoods, to persevere in an effort which was very much that of CDS: to contribute to the mobilization of Portuguese political activity; and this in the sense that it does not suffice to promise.

EXPRESSO: If we omit the vitality shown by CDS in the debates on the tax burden, Vizela or the recent discussion of the bill to decriminalize abortion, what

has your party done. In what direction is it heading; what does it want? Has it become solidified?

LP: We have attempted to withdraw from the stage so as to think and organize a serious medium-term alternative. The economic conference at Sesimbra last October, the recent "Parliamentary Workshops on Reforms of Institutions," or even the submission to Parliament of laws such as that on social security are an accurate reflection of that well thought-out effort to construct an alternative, in terms of goals and individuals. Otherwise, with regard to the matter of my party's public appearance, that may be more a problem of the news media per se than of CDS. In any case, we are not very much concerned about offering enticements. And, as a matter of style, we think that the sense of combat is quite compatible with the calmness of the processes.

Complexities and Differences

EXPRESSO: It would appear that, after holding the latest congress, you have not succeeded in keeping your party united. I would ask you: Is CDS in fact divided between the followers of Luis Barbosa and his people, with the Democracy and Liberty Institute, headed by Rui Pena, in the middle?

LP: It is obvious that CDS has become a more horizontal and less vertical reality. And, in this connection, a larger number of complexities and differences are evident. The only thing that can be asked in this situation is that the possibility of an understanding be preserved.

EXPRESSO: But is that viable?

LP: All I am saying is that I hope, at the coming congresses, that possibility can be interpreted in a more positive manner than it has been thus far.

EXPRESSO: You seem to underestimate the fact that there is an internal problem. Or doesn't it exist, after all?

LP: It exists...although there has been an attempt, since the congress was held, to draw consequences from it that it does not have and will not have.

EXPRESSO: What does the Government Program Commission, the organizational table for which is currently under study, consist of, after all? What is its purpose? And wasn't Morais Leitao supposed to head it?

LP: Well, a distinction must be made here between two different organs: There is a distinction between a Governmental Commission, which has operated on the basis of the Office of Studies, which is an auxiliary organ of the Parliamentary Group, and of the Steering Commission, which has been directed by Joao Morais Leitao, and an organ to be created, the recommendation for which has come from a recent Political Commission. This new organ will attempt to consolidate an alternative government program, and it will be headed by me--myself.

EXPRESSO: I don't understand very clearly. What, after all distinguishes those two organs? Won't they clash with one another? Aren't they the same thing?

LP: No, the Government Program Commission, to be created, will be engaged in the discussion of an alternative model for a different pattern of political and social action, and not merely in analyzing the current government's procedures.

EXPRESSO: When will that new organ be created?

LP: The next meeting of my party's Political Commission will evaluate a proposal of mine for the structure and goals of this Government Program Commission. At present, there is a sufficient minimum of materialization, including a first written draft of the proposal.

EXPRESSO: Of what does that proposal consist?

LP: All that I can tell you now is that this Government Program Commission will attempt to prepare a system of government organization different from the one currently in effect, and that it will seek a better systematization and coordination of the various aspects of government activity.

CDS Always Arrives Too Soon...

EXPRESSO: You have been telling me, either implicitly or explicitly, since the beginning of our conversation, that you would write another "black paper" today on the current coalition in the government. Is that it?

LP: Your question implies a true observation: that CDS always arrives too soon!

EXPRESSO: -

LP: I would even say that one of the functions of our party has been that of attempting to hasten and perceive the regime's path toward a liberal, modern, European solution.

And, in fact, perhaps the "black paper" also arrived too early, as you have just suggested. Unfortunately, the fact is that nearly everything that was said in it has been confirmed, and the PS/PSD coalition may have even reached the height of its sterility.

At times the coalition has even appeared to be a coalition between the First Republic and the Corporative State! Something that is not only impossible, but (unlike CDS) too backward in terms of a future view of the country. At the present time, rather than an agreement between the two parties, we seem to be faced with a conflict between two parties, and a coalition dissociated from the entire national issue, and concentrating exclusively on the respective questions of power.

The Last Support

EXPRESSO: You mentioned a national issue. What is it? You also mentioned the need for a new philosophy. Would a new philosophy solve the national issue?

LP: The national issue includes a new institutional context, a liberal philosophy of government, a single, dynamic, political power befitting a majority for change and not a majority such as this one that still reflects the last support for a losing model, and not the first phase of a model for the country's economic and social rebirth.

EXPRESSO: Let us return to the same thing: What must be done if it was precisely for this present majority (which, in your opinion, reflects a losing model) that the people voted? Or rather, at voting time no one was unaware of the fact that things were heading in that very direction. Now was it "this," without the least shadow of doubt, that the people chose and wanted?

LP: The problem is that the country is undergoing a general, progressive crisis, specifically its institutions; there are many people who feel the need to reverse the path.

The Myth of Freitas do Amaral's Return

EXPRESSO: Someone recently made an outcry in your party over the "immediate" return of Freitas do Amaral. Would you make the same outcry? In other words, what do you have to say about that?

LP: I think there is a group of individuals, on one side and the other, who are interested in setting Dr Freitas do Amaral against us, and in setting us against Dr Freitas do Amaral. I believe that the myth about the return should be interpreted primarily in that context. In fact, both Dr Freitas do Amaral and we ourselves are more interested in advances than in returns. I also recall a comment by Jorge Luis Borges, that I usually apply to my own political action: "God free me from becoming again what I was." The historical problem of CDS being in the government has not been resolved, and it will be resolved only with two combined advances: one, in the direction of the presidency of the republic, and that is the natural destiny and position of Prof Freitas do Amaral; and the other, in the direction of the government, and that is the natural ambition of CDS.

EXPRESSO: And when will all this happen?

LP: We think that between 1985 and 1990 these two ambitions may be fulfilled, provided we don't waste shots into the air!

EXPRESSO: Before that time, which could be far off, what do you say about the possibility of a candidacy of Mario Soares and Mota Amaral?

LP: If the country's situation were reasonable, maybe these two candidacies would be reasonable. But, in the present situation, more than that is obviously needed, unless the types of complacency that we have already observed leading nowhere continue to operate.

EXPRESSO: I would ask you to be more specific. For example, leaving PS aside now, and sticking to PSD, whose candidacy in the presidential elections could

obviously make any centrist plan impossible, how do you think the Social Democrats will resolve or decide the issue of the presidential elections?

LP: I think that there will now be an agreement between Mario Soares and Mota Pinto, so that the central bloc may carry out its mission and meet its only goal: to take Dr Soares to Belem and, for the second time, make Mota Pinto prime minister through the presidential expedient...

Three Mirrors, Three Guarantees

EXPRESSO: Well, you talk as if what you say were too easy for PSD....

LP: PSD is a false right and a false left at the same time, which, moreover, has little concern for strategic matters. What matters to PSD? Power is the only important thing to the Social Democrats since Sa Carneiro's death. And that solution which I mentioned is the way in which it must ensure that power. The results of the last National Council meeting last weekend have proven this.

EXPRESSO: And what about the so-called three branches of PSD?

LP: They are only three mirrors, and three mutual guarantees of that same sheer necessity for power.

EXPRESSO: Changing the subject: Did your position and that of your party in Parliament during the very recent discussion of the law on decriminalization of abortion have to be what it was?

LP: It absolutely had to be, because the left has forgotten that freedom of conscience has started to be more important to the younger generations than the social problem. All right, but I also think that, 10 years after 25 April, abortion assumed for the left the same purpose that the nationalizations had: the search for a lost model, which was the model of the left in 1945, following the war, with all its series of myths about a clash. Why? Well, everyone knows now that the nationalizations have not solved anything, and that what is currently being discussed now in the Assembly of the Republic will not solve anything either, not even the problem of clandestine abortions! We are confronted with a sheer myth, or to summarize it briefly, the left is constantly moving backward!

Middle Class Plus People

EXPRESSO: Does CDS continue to be, or does it claim to be of the center? Is your party of the center because it does not want to assume the right yet (in Europe, it is starting to do nothing but that!), or because it actually is of the center? I ask this, first because you could also be backward, since everything that I hear you uphold and that I have heard from you in the last legislative elections appears to be confined unquestionably to the right wing camp.

LP: The formula that I choose is that CDS is a party to win over the center and to have the right incorporated into it.

EXPRESSO: But is that being of the center? What is being sought in the center?

LP: But the power is the center! Except for the fact that the country needs another center, and not the present one. It is CDS' goal to be a middle class party capable of becoming popular. And it is in this sense that one must speak to the centrist values of Portuguese society. But of course this is not incompatible with what I have just said, because the Portuguese middle class, which is continuing to be proletarianized by the present system, will tend to seek its center more to the right, and in conjunction with the people themselves. And if perchance we were the ones to speak for that movement, it would be easy to solve the problem of the alternative under democracy.

2909

CSO; 8142/1044-E

MODERATES DAMPEN OPPOSITION IN SECURITY POLICY

Stockholm DAGENS NYHETER in Swedish 24 Mar 84 p 6

[Commentary by Sven Svensson: "Conservatives' Longing for State Department Reason for Unity"]

[Text] Ulf Adelsohn does not want to wreck his chances of becoming prime minister in a non-socialist three-party government after the 1985 election.

This is the main reason for the armistice between the parties in the parliamentary foreign policy debate despite the earlier squabble about submarine hunting. The old differences between the Social Democrats and Conservatives therefore remain, and the armistice is likely to be temporary.

The Conservatives' fervent longing for the Palace of the Prince Royal is largely the reason behind the increased unity on security policy.

The controversy regarding security policy goes back a long way. In 1959 the Social Democrats excluded Conservative leader Jarl Hjalmarsson from the Swedish UN delegation. The reason was Hjalmarsson's proposal that Sweden, together with NATO member Denmark, should discuss the possibility of jointly defending the island of Bornholm.

The discussion about Swedish membership in the EEC, the Common Market, dealt with the same conflicts. The Social Democratic government first applied for association, then submitted a so-called open application and the final result was a free trade agreement. The Conservatives argued in favor of membership, but after the so-called Davignon and Werner reports on extensive foreign policy coordination between the EC nations, it became clear that Sweden could not be a member and retain its neutrality.

The Vietnam war was another security-political test question.

The biggest fracas occurred in 1968, when Olof Palme, accompanied by North Vietnam's ambassador to Moscow, demonstrated in Sergels Square, and the next biggest at Christmas 1972, when the Americans bombed Hanoi.

On the first occasion Conservative leader Yngve Holmberg demanded Olof Palme's resignation, on the other Conservative leader Gosta Bohman defended the bombings by referring to the objective of achieving peace.

In the 1982 election campaign the Conservatives several times put the unity around the security policy to the test.

The Falldin-Ullsten center government was repeatedly accused of delaying tactics in expanding the antisubmarine protection and Defense Minister Torsten Gustafsson was almost depicted as a village idiot. And yet the Conservatives had participated all along in reducing the strength of the Navy.

Simultaneously Foreign Minister Ola Ullsten, above all, was accused of selling out Sweden to the Soviet Union by presenting a compromise proposal for the dividing line in the Baltic Sea.

Greater Differences

The Conservatives are placing party zeal ahead of joint support for Swedish security policy, Thorbjorn Falldin said in his protest on election eve.

The change of government had the result that the differences between Social Democrats and Conservatives gradually intensified. The Bahr, Bildt, Arbatov and Ferm incidents are tangible evidence.

The Conservatives believe that there is a system error in the Social Democrats' view of the Soviet Union and in the arguments of the Palme commission for so-called collective security. According to the Conservatives, Sweden should tone down its ambitions to play a role in disarmament and detente in the world.

The submarine hunt at Karlskrona has increased the security-political differences. The Conservatives shake their fists toward the East in a neo-Carolingian spirit and accuse the Social Democrats of submission.

A contributing reason is certain unclear and belittling statements by the government in the initial phase of the submarine hunt.

But it says in the foreign policy declaration:

"A number of observations remain, for which the responsible authorities have not been able to exclude that it was a matter of deliberate violation of Swedish territory."

Solid Proof

The foreign debate made it clear that the Conservatives no longer persist in their demand that Sweden should protest to the Soviet Union.

Another diplomatic protest requires solid proof. All of a sudden there is broad agreement on this.

The question is how to go about hunting submarines in the future. First the investigations in Karlskrona must be concluded in order to find potential evidence, and then the supreme commander has to analyze the results of the investigation.

After that comes the question of whether or not to appoint a new submarine commission in order to evaluate the submarine violations politically.

The Palme government is not particularly interested in a new submarine commission, which would put the course of events outside the government's control.

Reconvening the submarine commission is unthinkable for several different reasons. First, it might be regarded as partial after the Harsfjorden incident, second, this time the Liberal Party must have a representative on the commission and third, it is unlikely that the government would allow Conservative Carl Bildt to have a seat on the commission after his last trip to the United States.

Unreliable

When the non-socialist government was formed in 1976 it was inconceivable that the Conservatives should fill the post of foreign minister. They were regarded as unreliable when it came to security policy. The Conservatives have long shown a tendency to end up quite often on the same course as the conservative forces of the NATO alliance. The Conservatives are nowadays fully accredited as a leading non-socialist government party. But there still remains to conquer the Palace of the Prince Royal.

The Conservatives' ardent longing for the Palace of the Prince Royal is largely what is behind the increased unity around security policy.

Vagueness and insecurity about the Conservatives' security-political orientation would make it difficult to form a non-socialist three-party government, and Ulf Adelsohn does not in any way want to jeopardize his chances to become prime minister in such a government.

11949

CSO: 3650/160

SDP QUIETLY CHANGING POLICY ON EMPLOYMENT

Stockholm DAGENS NYHETER in Swedish 24 Mar 84 p 12

[Commentary by Bo A. Ericsson: "Social Democrats Reevaluating Third Sector for Jobs"]

[Text] Now is a time of reevaluation in Social Democracy, now a policy is being sought for the future by means of perhaps the most extensive consultation of the members the party has ever undertaken.

At the same time, at the halftime of this election period, a change of mood has occurred. Now we are getting new members again, the party functionaries are crying happily.

But there is major concern on one point: the jobs.

"Imagine," the minister said, "if we could work for each other..."

"Imagine if we could, in a financial sense, find a new sector, a new, very individually oriented and personal sector, for labor-intensive and time-consuming service which cannot be accomplished in large-scale production. A free sector for freely chosen personal service, where you and I could work for each other, not for companies, legal entities or other major financial interests, but just for each other as people to people."

The one who says that is Deputy Prime Minister Ingvar Carlsson, the government's minister of the future.

Only a few years ago this type of reasoning would have been unthinkable in leading Social Democratic circles.

What Ingvar Carlsson is actually presenting is an idea about the future role of unpaid work--or work that is paid outside the formal economy. With a shy glance at the alternate income movement he is catching a glimpse of a partially new type of labor market.

New Formula

What he seems to be searching for is a new formula.

How could at least parts of the large and growing informal sector--which after all includes most everything from the most serious illegal manipulation to the ordinary exchange of services between neighbors and small cooperatives--be transformed into a legitimate and socially useful third sector alongside the private and public ones?

Volvo chief Gyllenhammar has also touched on this. A new model is needed, in his opinion; perhaps at least some of the black-market jobs ought to be decriminalized.

Ingvar Carlsson does not go quite that far, but he still hints that this activity could be allowed to develop under different economic and fiscal conditions than those in effect for the major companies; more freely, for example, less regulated, perhaps even somewhat in the direction of a free zone.

But he does not actually express the last part in those very words, and furthermore stresses that he does not have a finished model.

Be Allowed to Choose the Time

He also brings up a new definition of full employment, that holy concept: What is new is that not everyone should necessarily work 8 hours a day, but that everyone will be allowed to work according to their own ability and as much and as long as desired.

In other words, we would be able to choose our working time.

The reason for Carlsson's reflections is that he does not believe we can cope with employment in the future if we do not seek new paths, new instruments, new combinations.

Carlsson's reasoning is only one of several signs of the reexamination, paired with self-criticism, which is taking place right now on several different levels within Social Democracy. Primarily it grew out of the employment situation which was brought about by the changes in the economy and which is causing great concern in the rank and file of the party.

This reevaluation has two major features:

It does not mean a reevaluation of the political goals but of the means in a changed world.

It is not based on finished proposals. It is instead a process in which questions are asked and answers sought.

It does not take place without a feeling of being lost. Torsten Nilsson, editor in chief of Social Democratic FOLKBLADET OSTGOTEN, presents this perspective:

"In the post-industrial society we are now heading for, a creativity and a variation will develop with which the Social Democrats may have difficulty coping. The labor movement is a product of the industrial society with its linear and large-scale solutions. The Social Democratic leadership has a premonition of the new requirements but does not really know how to meet them."

Thus, questions are asked along the way and this is a different approach, it is said at the party headquarters on Svea Road.

Three general questions are being asked, above all:

How can Sweden become a better country to live in?

How can we again make the Swedish economy strong and assure everyone's right to work?

How can we increase personal freedom and personal influence?

At least a hundred thousand people are asking these questions right now in Social Democratic leagues, trade union clubs, circles and meeting groups around the country. In a few weeks they must be ready to send in their suggestions.

"This is perhaps the most extensive advisory activity we have had," people at the party executive committee say.

Program of Ideas

From these grassroots ideas a special group headed by Ingvar Carlsson will then pick suggestions for a program of ideas for the period up to 1990. This program will become a principal issue at the party congress in the fall.

Therefore, it is not known at this time what the program will look like. But at the same time, the party functionaries say, a great many currents are circulating within Social Democracy right now, which with all certainty will be reflected in the program of ideas. Here are a few:

The work must in some way be organized and replanned so that today's high rate of unemployment will not become chronic in the new service and information society which is on its way. Here, working time will be an instrument, but more in terms of flexibility than in general shortening of the working time. Here the "third sector" is also likely to enter the picture.

The public sector must be reformed. The party has merged too much with the public sector at the same time as it has become strongly sectorized and difficult to handle. Civil Service Minister Bo Holmberg has called for more service and decentralization, for example. This is the Social Democratic answer to the increasing transfer into private hands by the Conservatives.

Solutions

More and more local solutions must be allowed, in particular for employment. There are today Orebro models, Norrkoping models, Boras models and all kinds of others. More are on the way.

A cautious change is in the process of taking place in the attitude toward small businesses. The old dogmatics is beating a retreat. Now the boundaries between small businessmen and wage earners must be softened, many voices say.

In general a return to the small scale is beginning to emerge as the war cry. "Wooden clog" romanticism is no longer something the Social Democrats scorn quite as superciliously as before. Now they admit that the large-scale concept probably has its disadvantages.

A cautious change is also under way in the attitude toward fees in the public sector. Here John-Olle Persson and Hans Haste threw out a fire bomb a while back with their proposal for fees at libraries, among other places. A tremendous commotion ensued, but among the footsoldiers there were quite a few who nodded approvingly. John-Olle knows which way the wind blows.

Upturn

This is roughly how the reasoning goes today, in the opinion of central and local party functionaries, Social Democratic editors and others active in the movement.

"We are in the midst of a very exciting process," is the evaluation of SSU [Social Democratic Youth League] chairman Jan Nygren.

In the middle of this another thing has happened. Reinhold Furustrand, representative of the Sormland party district, says:

"A positive change in the mood has taken place after a long period of passiveness. It happened just a month ago. Now we are getting new members, now there is an upturn again, and not only in this province."

The reason for the upturn is, in Furustrand's and other people's opinion, partly that in general things are going better for Sweden, partly that a debate about the future has sprung up within the party.

These were precisely the elements the party representatives had included as permanent components of their evening prayers when the opinion figures were at their worst last fall.

"A good team must have a little luck too," Furustrand says.

More Jobs--Now

But despite stimulating visions of the future in new sectors and new paths, paid work is still--for better or for worse--the focus of everything. And on that point the concern in the broad Social Democratic ranks is very great today. There are not enough jobs, after all.

To be sure, open unemployment has begun to decline, but this is due mainly to the use of additional measures. Altogether, today more than 600,000 people are completely or partially outside the regular labor market. This is more than at the same time last year.

A few days ago the regional employment boards came out with new prognoses showing that unemployment will continue to be high or increase further this fall or winter--despite the economic upturn.

Especially in the LO house people still maintain--and perhaps with growing irritation--that the government is not investing enough in order to increase employment. In an editorial in the LO newspaper about a week ago the government was given a stern request:
Come up with the jobs--now!

11949

CSO: 3650/160

CONSERVATIVE DAILY CAUTIOUSLY OPTIMISTIC ON DEFENSE TALKS

Copenhagen BERLINGSKE TIDENDE in Danish 31 Mar 84 p 10

[Editorial]

[Text] When 1984 ends, the defense compromise now in effect between the present government parties and the Social Democrats will also run out. In spite of the shifting roles of the compromise parties in government and opposition, the present compromise has maintained a cooperation on defense that has been in effect since the postwar period: right down the middle.

In many connections these words are worn out and misused. They are dug out in difficult situations when the possibilities of cooperation between the two centers of power in Danish politics are small. They are worn out by attempts to create a lasting governmental basis between the Social Democrats and the nonsocialist parties. At the moment they are used as an applicable formula for a wide political cooperation.

But in the area of defense policy, the words have retained their value, even if there has been and still is disagreement on the security policy situation and therefore on the conduct of foreign policy. In the eleven-man committee that the compromise parties have created to carry out defense cooperation there has been no serious clash in the present compromise period. Therefore there is good reason to believe that there is in this committee sufficient good will for serious and thorough consideration of how renewed cooperation -- a new defense compromise -- can be formed.

There is reason to encourage the parties in the committee to tread cautiously when serious discussions begin. Many dangers lie in wait. First of all there is the threat against Social Democratic participation that both the Radical Liberal Party and the parties on the left wing will not hesitate to use the occasion to throw a monkey wrench into the negotiating machine from outside. It is in their interest to bring about a breakdown in negotiations, and they want to tempt the Social Democrats to put an end to a defense policy that has been able to hold since 1945.

In his proposal for negotiations, the defense minister has begun cautiously. He has correctly stated that there is talk of a basis for negotiations, not of

an absolute position. The Social Democratic spokesman, Knud Damgaard, has for his part not disagreed with many of the basic elements in the proposal, but has backed away from the budgetary framework the government wants. There is reason to assume that when the negotiations begin it will be possible to discuss the more technical sides of a future defense arrangement, and only in the final phase to decide definitely what economic demands the arrangement will make. Such a method of negotiating can be carried out with careful steps. Therefore this is advisable for all parties in the coming months.

9124

SSD: 461/107

DEFENSE MINISTER: BUY JAS PARTS FROM EUROPEAN FIRMS

Stockholm DAGENS NYHETER in Swedish 20 Mar 84 p 6

[Article by Sven Svensson: "The Defense Bill; European JAS Parts Reduce Dollar Dependence"]

Text] The European share of the JAS aircraft project will increase at the expense of U. S. orders. This is the substance of the analysis of signed contracts, undertaken by Defense Minister Anders Thunborg, in the defense bill presented to Parliament on Monday. The bill is based on the party leader agreement regarding the defense.

Most of the contracts with subcontractors for the JAS aircraft were completed in 1983. The major part of the supplies have been assigned to European countries. This means that the effect of the dollar exchange rate on the JAS will be reduced.

There have been no changes in the JAS project due to modification requirements or any other technical problems.

There is a difference of 2.8 billion up to the year 2000 between the planning framework proposed by Parliament and the expenditure framework calculated today, 1.8 billion of which is due to the dollar exchange rate.

Prototype Finished in '87

There is no need to make a decision today concerning how to adapt the expenditure framework to the planning framework, in the defense minister's opinion. The large expenses due to the exchange rate will not occur until the 1990's.

At Saab-Scania there is a full-scale model of JAS executed in wood. In this model the installation of the various systems will be tested. A prototype of the engine is to be completed in 1984 and the first JAS prototype is to be in the air in 1987.

The JAS Industrial Group has reported decisions which in the long run mean that the plane will produce 855 new jobs, 107 of which in Norrbotten.

The bill includes the party leader agreement, which gives the defense forces 600 million more annually for 3 years. The main part of the funds goes to the air defense. A new interceptor missile for Viggen is to be ordered this year and the low and high altitude radar systems will be expanded.

The proposal by the supreme commander of the Armed Forces for cutbacks in the naval organization on the West Coast is accepted.

In the Army there is a surplus of 2,000 training slots. This is the equivalent of two, three regiments. The new defense study panel which will soon be appointed will have to submit proposals for slimming the peacetime Army organization.

The Air Force must disband one wing. The party leader agreement implies that the three Draken divisions which were threatened by disbanding will remain for some time. This is how the air wing in Karlsborg will manage to avoid being eliminated.

Reinforced Antisubmarine Protection

The antisubmarine protection is to be further reinforced by fixed and mobile surveillance systems as well as by earlier placement of orders for so-called coastal corvettes. The supreme commander will also be charged with working out a collective system plan for continued expansion of the antisubmarine protection.

A domestic defense industry is a valuable support for the defense policy, the defense minister stresses. In the future as well we must have a Swedish electronics industry, which can develop and manufacture essential defense materiel. The capability of developing advanced missiles or partial systems, for example target-seekers and guidance systems, must also be taken into account.

Since the costs are high, what is required is partly greater specialization in the choice of missiles, partly increased industrial cooperation, it says in the bill.

11949
CSO: 3650/160

RETIRING ARMY COMMANDER SAYS AIR FORCE BUDGET TOO LARGE

Stockholm DAGENS NYHETER in Swedish 24 Mar 84 p 13

[Article by Harald Hamrin: Retiring Army Commander: Air Force Too Expensive"]

[Text] More money for the Army, limitation of the tasks of the Navy and the Air Force, more inexpensive but advanced weapons systems and a new organization.

These are some of the proposals submitted by retiring Army Commander Gen Nils Skold in a polemical pamphlet.

General Skold is leaving his present post at the end of the month and becoming an expert in the Defense Department with the task of studying various defense industrial issues.

Before that, he spoke his mind about his view of the future of the Swedish defense in a 42-page publication, "Continuity and Renewal. Some Thoughts Around the Continued Development of the Defense," in the Present-Day Defense series published by People and Defense.

Known Ideas

At least part of this concerns ideas which can be recognized from previous occasions, when debate about "shell defense" as opposed to "deep defense" flared up.

Should we prepare to meet and beat a potential enemy at (or preferably outside) our borders?

Or should we assume that this cannot be done and therefore prepare for a defense deep into our territory instead?

Ten years ago the debate focused on Skold's "jelly-candy men." But today General Skold is anxious to kill the myth that these "jelly-candy men" are intended to bike around on Swedish forest roads with guns and bayonets as their only weapons.

Ground forces are needed in this age of modern technology with very advanced weapons systems, in his opinion.

Sceptical

On the other hand, he is sceptical toward the large and expensive "weapons platforms," such as the Navy's surface ships and aircraft. In fighting a superior power they rapidly run the risk of "being smashed without being able to achieve decisive victories."

"There is great risk that afterwards the defense will quickly break down," General Skold writes.

Surface ships and aircraft should therefore, according to Skold, "primarily be intended for incident preparedness in peace."

Skold even includes the Army's own tanks among the expensive "armor-bearers," whose future must be carefully examined.

Instead, the retiring army commander advocates greater concentration on anti-aircraft and naval target missiles, mines, great mobility of the land forces, terminal-phase guided ammunition, additional funds for electronic warfare.

Some of the new weapons systems do not naturally come under any of the existing Armed Forces branches.

"Essential development tendencies now have such an orientation that they do not obviously belong in any of the present branches or that they are on the borderline between them," Skold writes.

It is therefore, according to the army commander, "doubtful whether the present division of the Armed Forces into defense branches corresponds with the needs of tomorrow." In Skold's opinion, this question should be carefully studied before the 1987 defense decision.

Fewer Milos

In his publication General Skold also advocates a reform of the present subdivision into military districts [Milos]. A cutback from six to five Milos should be feasible by eliminating Milo Bergslagen.

The central organization of the Armed Forces is also outdated, according to Skold, and "acts as a preserving force."

The warped age structure of the corps of officers must also somehow be corrected.

"It is probably not realistic to propose a return to the previous retirement ages," writes Skold, who does, however, favor "a generously sized early retirement pension, 5 years before the usual retirement age."

11949

CSO: 3650/160

COUNCIL ON COMMERCE WARNS AGAINST GOVERNMENT INTERVENTION

Paris LES ECHOS in French 9 Mar 84 p 8

/Article by Jean-Philippe Vidal/

/Text/ Halt interventionism! Jacques Dermagne, National Commerce Council chairman, chose to use the announcement of the forthcoming Commerce Days, which from 23 to 26 March will combine the third free trade fair and the first associated commercial exposition, as a rostrum from which to sound an appeal to the government: with recession reaching the commercial system, and with the threat to employment that implies, this is not the time, he says, to hamper its innovative capacity by additional restraints.

That is still less desirable at a time when industry must rely more than ever on a dynamic sales effort to insure its needed modernization.

The CNC chairman in fact has a solid argument on his side in denouncing the trend to "regulation mania": the crisis. For the first time since the end of the war, volume of commercial sales fell last year by 2 to 3 percent.

And also for the first time, the rate of job creation has reached a new low, rising by only 0.4 percent. But despite the recession the distribution sector has continued to invest. Better still, it is today exporting its sales techniques, including supermarkets and duties exemptions, thereby bringing a precious flow of foreign exchange into the country. If we wish commerce, which is a component of the service sector, to play its role as an economic driving force, we must not--Jacques Dermagne said in effect--surround it by obstacles.

In drawing up the list of regulatory threats he sees taking shape, the CNC chairman of course brought up blocking and restriction of profit margins, which seems to him all the more anachronistic since industrial prices are being decontrolled--though, it is true, a little at a time. But he particularly criticized the orientations of policy on competition, from two aspects:

Competition

First, open tariff data: Commerce agrees with industry on hunting down excessive rebates. But such a policy must be applied in a conventional context, that is, by the interested parties themselves, and not be based on regulatory texts which can only lead to a regime of administered competition.

Referring directly to the circular in process of drafting--which, true enough, is on certain points in opposition to the CNPF/National Council of French Employers/ agreements--Jacques Dermagne implied that reason would finally win out and that the circular would sanction the professionals' effort for self-discipline rather than seek to reimpose it.

Control of concentrations: On this point, criticisms by the "boss of bosses" in commerce are more unusual. He blames the government's project for not taking account of realities.

Not only is commerce not overdeveloped, he says, but there is no comparison between countries nearly 100 percent liberal and those such as France where nationalizations weigh very heavily.

Finally, there is the thorny case of the Royer law and the reform planned by M Crepeau (LES ECHOS, 24 February). No doubt the government is far from adopting the theses of the mayor of La Rochelle, the more so since they are at the very least debatable, for lowering the thresholds to 400 m² would penalize medium enterprises in the process of development, that is, the independents; it is hard to see how small commercial enterprises, sheltered from competition, would be inclined to modernize.

True, Jacques Dermagne did not specifically name that project. But by saying no to "administrative standards and prior authorizations" it is clear the CNC is asserting its hostility to such a reform.

On that point, commerce shows a certain coherence: one cannot be liberal for oneself by calling for freedom of pricing, and at the same time advocate regulation of others by calling for strengthened protectionism and increased control of large retail outlets.

6145

CSO: 3519/274

NATIONALIZED INDUSTRIES LOSE 16 BILLION FRANCS IN 1983

Paris LES ECHOS in French 12 Mar 84 p 13

[Article by Jacques Jublin]

[Text] Nationalized firms, including those in the steel industry, lost Fr 16 billion last year. That is certainly a considerable deficit, though an improvement over 1982 when the loss was Fr 19.6 billion, following deficits of Fr 12 billion in 1981 and 2.65 billion in 1980. The bill is stiff to say the least since it totals Fr 47.6 billion for 3 years.

"It's the legacy," the Socialists will not fail to point out, and they will add in the same breath that several groups which were touching bottom before nationalization are now healthier. That is the case for Pechiney, Thomson, Rhone-Poulenc, or Bull.

But from noting that to showing relative optimism is a long step, which Laurent Fabius takes when he is pleased to whisper that losses by public enterprises in the competitive sector have been cut nearly in half within a year, except for steel.

A better observer of nationalized enterprises, close to the Ministry of Research x-rays them firm by firm, including the special case of Elf-Aquitaine:

Aluminum is in greater demand, which is good for Pechiney. Recovery is at hand in fertilizers and chemistry, which benefits Rhone-Poulenc. Electronics sell well, and so much the better for Thomson, Bull, CGE and CGCT. Let the head men improve management of public corporations, and 1984 could be the year for profitable nationalized firms with positive cash flows.

The government expects much from Pechiney, Thomson and Rhone-Poulenc. Beyond Saint-Gobain and CGE, which are moneymaking "machines," it needs successes, but also symbols. If they are lacking, managing directors are warned, heads will roll in 1985. For Laurent Fabius wants nationalized firms to regain their proper trim in 1985--still excepting steel and CDF Chemistry.

Clearly, good balance sheets will be perceived as political assets. Meanwhile, as we await 1985, an established fact commands first attention: at the outset of the present presidential term nationalization was seen as a powerful lever, as the means of making factories spring up very fast and creating jobs all over the country. Francois Mitterrand must be somewhat disappointed by economic, industrial and social realities. For the funds distributed by the government--Fr 12.85 billion of capital contributions in 1984, 12.3 billion in 1982, and 4.97 billion in 1983--were used first of all to bring back into balance accounts where debts are enormous, with Fr 84 billion of indebtedness in 1983 compared to 63 billion in 1982.

True, investment is not negligible, for it reached Fr 29.53 billion last year compared to 25.26 billion in 1982 (see table), but which nationalized firms can show an overall positive employment position? Rationalization, productivity, modernization, and new techniques have come to center stage in France, where Fr 20.3 billion have been disbursed in investments over the country at large, not counting Elf Aquitaine which is a special case.

Therein lie the reasons for the forceful appeal launched a few months ago urging small and medium enterprises to improve their foreign trade, create jobs, and develop new products; and that also explains the present determination to promote "risk capital" and the present search for mechanisms to facilitate transference of enterprises.

Large groups are all well and good, but "small is beautiful." Is it to convince himself of this that President Mitterrand, during his trip to the United States at the end of the month, will visit the famed Silicon Valley in California near San Francisco? And long live electronics, data processing, communications, audiovisuals, biogenetics, and small and medium enterprises!

Industrial Investments (in billions of francs):

<u>Firm</u>	<u>1982</u>	<u>1983</u>
Renault*	8.58	9.99
CGE	2.32	2.58
Saint-Gobain	3.49	2.89
Thomson	2.37	2.80
Rhone-Poulenc	2.16	2.50
Pechiney	2.03	2.70
Sacilor	1.69	2.05
Usinor	1.03	1.64
CDF-Chimie	0.63	0.78
EMC	0.37	0.45
Bull	0.55	1.05
CGCT	0.04	0.10
Elf Aquitaine*	15.04	15.00

*Renault leads--except for Elf Aquitaine (a special case).

6145

CSO: 3519/274

EUROPEAN MONETARY SYSTEM'S EFFECTS ON ECONOMY AFTER 5 YEARS

Paris LES ECHOS in French 13 Mar 84 p 13

[Article by Jean-Michel Lamy]

[Text] "Lucidity without moroseness"--surely the minister of economy and finance would gladly appropriate that recommendation by Lionel Jospin to Socialist militants so as to make it the byword of the EMS under Francois Mitterrand. For of all its inheritances the restrictions imposed by the EMS--whether we like it or not--have strongly marked the first phases of French socialism in power.

Strictly from the standpoint of political marketing, three devaluations have anchored in the minds of the French--perhaps for good and all--the idea that socialists do not know how to manage. Yet from a strictly technical viewpoint those three adjustments--to use another term--have certainly ratified economic choices, but also a "customary" spread between inflation rates on one side of the Rhine or the other.

To start, then, with the EMS. Jean-Pierre Chevenement, the man of the Socialist plan--the true one, it is understood--chose to align his criticisms with a major proposal: withdrawal of the franc from the EMS. For the PCF as for the left wing of the PS, the original sin goes back to 21 May 1981.

On that day a small committee made up of the director of the Treasury, the governor of the Bank of France, and the future minister of economy Jacques Delors, met at the call of the prime minister and decided to leave the national currency in the EMS.

That historic act, according to Chevenement and his friends, put a stop to the application of a broad industrial policy based on a domestic recovery coupled with export gains to be made thanks to a competitive devaluation.

When the CGT leader asks the government to reverse direction and manufacture for the French market, he subscribes to the same approach aimed at emancipation from the burdensome laws of international competition--at least for the time needed to build up industries to an adequate level of productivity.

In a world of floating exchange rates such a strategy soon confronts rising prices for imports, and so further deepens the balance of payments deficit.

To ignore the restrictive effects of inflation soon leads to impairment of the productive sector. Having maintained an ambiguous attitude on that point during the first part of the presidential term, the head of government, in April 1983, assessed for L'EXPRESS the consequences of three devaluations: "There was not only the effect of the crisis; there was also the effect of our partners' policies--and I refer mainly to Germany--who followed rightist policies, accepting all risks on unemployment and taking none on inflation, in order to safeguard their markets and the competitiveness of their industries."

A High Bill for France

Those words confirmed the new direction of increased rigor adopted in March 1983. This new orientation of French policy has in fact made it possible for the past year to avoid a fourth devaluation.

Exchange markets have taken note of French determination to bring back the nation's inflation rate to a figure comparable to that of its neighbors.

That policy implies a loss of purchasing power by French wage earners because of the de-indexing objective, and an increase in unemployment because of necessary restructurations and the weakness of the growth rate.

All that in order to come closer to a major economic balance particularly justifying comparison with that of West Germany. From that viewpoint, all those who denounce the failure of an EMS which has not succeeded in imposing a convergence of policies should revise the relative severity of their judgments.

True, seven readjustment operations have been carried out since creation of the EMS, the European Commission points out. It then adds that "their frequency and their extent, which have reached 8 to 10 percent, have marked the limits of a medium range stabilization of exchange rates among countries where inflation rates and balance of payments results diverge substantially."

Fundamentally, indeed, the logic of the system is to rely on an adjustment of economic policy rather than a devaluation or revaluation. But day to day contingencies in no way alter a basic fact: the eight currencies of the EMS have privileged relationships.

And though the ECU [European Currency Unit] is far from "legal tender" in billing for transactions, it is regularly used in the mechanism of EMS operations, and serves as an accounting and settlement unit among central banks of the EEC. Still awaited is the institutional phase (see below) with a super central bank managing an ECU serving as a reserve currency.

For the moment, it is still a matter of anticipation, but ECU operations on Euromarkets now rank third after transactions in dollars and West German marks. European monetary cooperation is something more than a mere abstraction!

Of course, the rise in power of the EMS in the international monetary system assumes the pound sterling will recouple to the European train. Even now, that zone of relative stability of parities is a steadying factor in the face of the dollar's multiple variations.

When most European partners have reached the stage where intra-European transactions account for about 50 percent of their sales abroad, it will also be an element favoring development of trade.

But for the immediate future the bill to be paid to keep the franc in the EMS will be high. The President and his majority have now taken that political risk.

It is not certain they will win their bet.

Statement by EEC Finance Ministers on Fifth Anniversary of EMS

Yesterday in Brussels EEC finance ministers hailed the fifth anniversary of the EMS by noting that the essential objective assigned to it had been attained, and by their unanimous desire to preserve and strengthen the system.

In a joint statement the Council of Ministers "notes with satisfaction that the essential objective laid down for the EMS, that is, to establish closer monetary cooperation resulting in a zone of stability and solidarity in Europe, has been achieved.

"Fluctuations in exchange rates have been considerably reduced, the concert and coordination of monetary policies has been strengthened, and convergence of economic situations has notably progressed," the statement continues, stressing that those "positive results were obtained despite unprecedented disturbances in the world economic and monetary situation.

"Our prime goal," the ministers' statement declares, "is to preserve and strengthen" the EMS, which is considered a "precious asset."

Considering the EMS is not "a completed structure," the ministers state they are keeping in mind "the longer range objectives defined by the Council of Europe session of 5 December 1978" which created the EMS. At present, eight of the ten currencies of EEC countries participate in the EMS exchange mechanism, with the pound sterling and drachma still excluded.

6145
CSO:3519/274

NATIONAL DEBT, LOANS TO FOREIGN COUNTRIES INCREASE IN 1983

Paris LES ECHOS in French 23 Mar 84 p 4

[Text] The weight of the figures. The shock of the austerity policy. Francois Mitterrand just confided in PARIS MATCH: "For 1 year, we have been setting up the new structures needed for economic recovery and we have begun to wage the campaign. This is not the time to give up or abandon the cause. Whatever the political risks may be, we will stick with it." Yesterday's publication by the Ministry of Economy of France's debt increase adds zest to these words. Every Frenchman now has a debt of 8,800 francs.

Total borrowing abroad grew by 50 percent last year, and the net debt, less claims, more than doubled. And, at the start of this year, the country has continued to ask donors throughout the world to help it balance accounts at the end of the month. For January and February alone, an amount of 14.2 billion francs!

As of 31 December 1983, it was reported at rue de Rivoli that the gross, medium and long-term foreign debt amounted to 451 billion francs (\$53.7 billion), following a debt of 295.4 billion francs (\$44.2 billion) in 1982. For 1983, the breakdown is as follows: government's foreign debt--63 billion francs, guaranteed by the govern (327 billion francs) and not guaranteed (61 billion).

The value is based on a green note worth 8.4 francs. Out of this amount, the dollar represents 58.1 percent, the German mark 9.7 percent, the Swiss franc 8.6 percent, the yen 5 percent, the French franc 4 percent and the Dutch guilder 3.7 percent.

The net debt was 201 billion francs by the end of 1983, up 83 billion from 1982. A large part of France's claims (they are estimated to total 250 billion francs) are "bad debts," in that a number of debtors have requested a rescheduling, as they are not in a position to pay.

Jacques Delors' staff intends to compare these data with exchange holdings evaluated at 430 billion francs as of December 1983, i.e., "practically the same as the gross debt and more than twice the net indebtedness."

It should be noted, however, that gold reserves of the Bank of France increased to 259.1 billion francs and foreign currency reserves to 69.3 billion francs. Finally, it is important to bear in mind that the official figures do not take into account the short-term debt. According to the Senate's Finance Committee, it could exceed 300 billion francs.

In any case, the true picture is measured against the urgent need to reach a balance of payments surplus on the order of 60 billion a year in 1984 and 1985 and of about 100 billion in 1986 and 1987, to repay interest and capital.

Following the 12-month euphoria of the grace period, an awareness of these prospects explains the President's sudden change-over to Delors' side.

To have continued along the same lines would have led very soon to bankruptcy, according to the advisors at the Elysee. This explains the first bombshell which hit when wages were frozen in June 1982. And, after wavering back and forth for 10 days, which shook the entire majority, Francois Mitterrand decided on the strict austerity policy in March 1983.

There was one major goal, to restore the trade balance at any cost. Although this has begun to happen, it is still far from being accomplished. The head of state, however, has not yet truly sold the Left on his new strategy. This explains the continuous questions on maintaining the current course of action, which the president is trying to counterbalance by constantly reaffirming his policies.

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CSO: 3519/283

EMPLOYERS' UNION PRESIDENT GATTAZ ON BUSINESS TRANSFER LAWS

Paris LES ECHOS in French 23 Mar 84 p 5

[Text] The president of the National Council of French Employers (CNPFF), Yvon Gattaz, yesterday called for "urgent" reform of tax policy in regard to transfer of companies, believing that the current system is "genuinely undermining the economy."

Presenting the CNPFF's reform proposals on this subject on the occasion of the "national symposium of employers and on company transfers," its president stressed that reform of the transfer regulations was an "urgent problem and of public interest." He continued: "Like all other modern countries, France must have legislation and tax regulations that provide incentives for the economy."

Mr Gattaz pointed out that almost 3,000 companies and 30,000 employees disappear every year because there has not been a solution to the transfer problem, and concluded that "perpetuating further the present tax system for company transfers would be suicidal."

In order to facilitate this transfer, the CNPFF makes proposals concerning both direct transfer to heirs and transfers to employees.

Cost

In the case of direct transfer, the CNPFF suggests in particular facilitation of the procedures preparatory to the transfer, such as the handling of shares in holding, disposals and mergers by instituting a deferral of taxes until final transfer of titles.

The employers also propose change in the tax system for gift-distribution, and introduction of a special reduction for inheritance rights to occupational assets.

Responding in anticipation to objections regarding the cost of these measures, Mr Gattaz expressed the opinion that inheritance and gift rights represented "only a few percent of the state's tax revenues."

Finally, in the case of transfers to third parties, the CNPFF proposes a "plan to protect the instrument of work," which would give employees of the company the opportunity to acquire company shares.

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CSO: 3519/282

ELECTRONICS CONNECTOR FIRM SUCCESSFUL DOMESTICALLY, ABROAD

Paris LES ECHOS in French 28 Mar 84 p 2

[Article by Valerie Lecasble: "Souriau, a French Connection Succeeding Even in the United States"]

[Text] What good are two electric wires without a means to join them? Why have a lamp if, lacking a plug to connect it, it can give no light? This is what the management of Souriau, a company established in 1917, very quickly realized, and, after having held itself back for 20 years in automobile equipment, it launched into connectors.

Just after the war, it was a matter of supplying an aviation industry in full expansion. Then, in 1947, when Mr Leroy, its present general manager, came to Souriau, the company employed 120 people all working on France. Today, Souriau has a turnover of 1 billion francs, 50 percent of it abroad, employs 3,500, and is industrially located throughout Europe and in the United States.

The growth has averaged 20 percent a year. First the expansion was geographic. Mr Leroy explained: "We wanted to expand into exports to face, in Europe, the American offensive." There were Holland, Belgium, Germany, Italy, then the United Kingdom when it entered the Common Market; finally, 10 years later, the United States. Souriau took off, gradually acquiring a worldwide dimension, even to the point of directly competing with American giants such as Cannon (ITT) or Amphenol-Bendix. Next target: Japan, where Souriau plans to locate soon.

At the same time, a strategic offensive was being introduced. "At the beginning of the 1950's our connection production was 90 percent for aviation," Mr Leroy explained. Currently, only 30 percent of the turnover is from aviation industry, machines and missiles, 20 percent weapons, 20 percent telecommunications and computers, 20 percent industries such as machinetools, and only a very small 10 percent automobiles and garage equipment.

Get a 5-Year Lead

This evolution has been carried out smoothly, with one central idea: constant adaptation to the market. As technological evolutions occur, changes in direction are taken. However, it is necessary to sense the wind direction 5 or 6 years earlier. Mr Leroy gave as an example: "When we saw that electro-mechanical telephone exchanges were going to be converted to electronic

systems, we developed a new range of products. The same was true for the high-speed trains and the resulting change in technology of the cars of the French National Railroads. The same also for fiber optics, in which, as the manufacturers themselves confirm, the connection is extremely delicate to accomplish. Mr Leroy pointed out: "Producing connectors is easy, what is hard is knowing how to produce enough and making them easy to install."

There is nothing uniform about a connector. It can cost a few tens of francs or tens of thousands. For example, on the Ariane the items are very small and delivered in small quantities. The customers? Dassault, Aerospatiale, Matra, Thomson or GCE in France; and Siemens, Boeing, Olivetti, British Aerospace, Nixdorf, NCR or Ericsson abroad. The markets of the future? There will be connectors for robotics, on which Souriau has already been working for 4 years.

Listing on Stock Market

Also, the company has received the first loan granted by the Industrial Fund for Modernization: Fr30 million over 7 years to automate two product lines and improve its competitiveness.

In order to assure the company's survival and to finance its growth, Souriau, which devotes 8 percent of its turnover to research and development, will be listed on the Stock Market during 1984, but on the second market, in order not to "let go" public more than 10 percent of the capital. This is a minor revolution for the shareholders of this family enterprise, still owned 50 percent by Souriau son and Mr Charles, descendant of Mrs Chapon, who originally cofounded the company 50-50.

The price of success. And a precaution to be able to face hard knocks. For in bad years (in 1971-1972 or 1982-1983), growth can stagnate to about 9 percent of turnover. Moreover, to develop a new line of connectors costs 20 to 30 million francs.

Thus, any false step, any error, any bad choice of product or new installation can cost dearly, very dearly.

Millions of Francs

	1981	1982	1983
Overall turnover	889	1,100	1,080
Net profit	61	43	45

3,500 employees in 1983

9920

CS0: 3519/282

GOVERNMENT PROGRAM ENCOURAGES ENTREPRENEURIAL INITIATIVE

Paris LES ECHOS in French 30 Mar 84 p 4

[Article: "Cabinet Session: Law on the Development of Economic Initiative; Those Who Set Up Companies: on Your Marks!"]

[Text] You who set up companies, innovators of all kinds--the tax collector is on your side. Toward the end of a painful cabinet meeting yesterday [29 March] devoted to the steel industry and to the social measures that go along with industrial changes, Minister of Economy, Finance, and Budget Jacques Delors was able to set out, with pleasure, a series of measures aimed at encouraging private economic initiative (see below). These proposed measures constitute a dynamic standard for government action.

The minister emphasized that the proposed measures are part of an overall strategy. He said that at present investment in France is split up in many categories. In other respects several systems are in force which the executive officers of companies have barely begun to discover.

They discover these systems at the very time that they are preparing their statements of profit and loss! There is, for example, the system for spreading risks, which is managed by SOFARIS. Another example is the tax allowance for research. Other examples in particular are the loans discounted in advance which have gone up from 50 billion francs in 1983 to 60 billion francs in 1984.

The Delors proposal approved by the cabinet yesterday [29 March] seeks to achieve a central objective: how to bring together the minimum amount of capital needed for an entrepreneur starting out in a given line of business to have a chance of succeeding. Beyond the tax advantages provided for by law, the first limitation is the financial strength of the parties involved.

The arrangement which will allow employees of a firm to become owners of their own companies when their employers face difficulties due to inheritance problems will provide no additional financial help to the successors of a given company.

On the other hand, the provision for the cost of computer software is especially significant. In particular it will make it possible to avoid numerous problems with the tax collectors. Mutual funds [fonds communs de placement a risque] will also benefit from this series of measures.

In 1983, Minister Delors recalled, nearly 20 billion francs in risk capital (including securities held by mutual funds) were accumulated, or about four times as much as in 1982. The minister considered that a silent consensus is emerging on the need for firm control and for modernization of the economy.

In the view of the CNPF [National Council of French Employers] the law proposed by Minister Delors certainly lessens the obstacles, and particularly the financial obstacles in the path of the establishment, development, and transmission to heirs of companies. However, these involve first of all "various timely measures which will not have enough impact to stimulate the wave of new businesses which are essential to economic recovery." French employers are still waiting for a real recovery of investment.

From the point of view of the state budget, in any case, the Delors proposal has the advantage of reducing the tax pressure. The more people make use of it, the more impact it will have. However, let us not have too many illusions. The general economic climate in the country is not in favor of private initiative in all respects.

The French people will remember the heavy blows dealt to the steel industry by the cabinet meeting yesterday [29 March]. That's a pity. The future is well and truly on the side of the Delors proposals. The fact that the tax authorities have at last approved the use of brainpower is a good example for us. But how much ground there is to make up!

Details on the Delors Proposals

I - Establishment and Transfer of Companies

(1) For small industrial companies and small scale production by craftsmen, provision has been made for a new type of company savings account.

It will replace the manual worker's savings account.

The savings period should last at least 2 years, and the savings will be accumulated through a payments plan. Each taxpayer [foyer fiscal] will be able to open an account, with a ceiling of 200,000 francs. Withdrawals from the account will be subject to a limit of 75 percent of total savings in the account. At the time the company savings account is opened, 5 percent of the savings, free of tax, may be withdrawn.

At the end of this first phase of the program, the owner of the account will be able to use his capital savings for the establishment of his own business. He will also benefit from:

--a bank loan at a reduced rate of interest of about 8 percent, the total of which will depend on the interest accumulated during the savings phase;

--priority access to special loans for manual workers or loans discounted in advance according to the type of business established.

Therefore, the company savings account is conceived of as an instrument which makes it possible to accumulate the financial resources needed, under advantageous conditions, to establish or hand on to one's heirs a small industrial company or a business involving small-scale production by craftsmen.

(2) Provisions in support of "intellectual contributions" to companies and to innovative financial companies.

The proposal aims at achieving no tax liability [neutrality fiscale] as a result of a loan entered into by an individual person who wishes to add to the capital of a company which the individual is establishing or the company in difficulty which the individual is taking over.

When an individual person establishes a company with a single proprietor, he or she can deduct interest paid on a loan from the profits subject to tax. In the case of the establishment of a company liable to company tax, it is not permitted to deduct such loan interest, and the individual establishing the company may be forced to withdraw substantial sums from the company to meet financial commitments he or she has entered into.

In the future, interest paid on loans will be deductible from the remuneration received by the person establishing or taking over the company.

The deduction will be linked to the capital contribution made by the person establishing or taking over the company. The deduction cannot exceed 50 percent of the salary received or 100,000 francs.

(3) Unfreezing Savings Invested in the Company

Many salaried persons have set up a system of savings within the company where they are employed through a system of purchasing company shares, company savings programs, plans for purchasing shares on an installment basis, and savings accounts held in company shares.

The existing arrangements do not provide for unfreezing these savings for their owners from the allowance for the establishment of a company when their working contract is suspended but not broken. Now, these savings, in general, are needed for the accumulation of funds needed for the company which is being established.

This anomalous situation will be ended by the new proposal.

II - Taxes on Investment and Risk Capital

(1) Expenditures for Research and Data Processing

The proposal will have two aspects in this connection:

—It will be possible to amortize operating expenditures related to research activity and data processing costs in the course of the year;

—The tax system will be modified in terms of the establishment and use of data processing systems, which can be amortized in the course of the year.

(2) Arrangements Favoring "Intellectual Contributions" to Companies and Innovative Finance Companies

At present, although contributions of capital or in kind to companies are fully a part of our legal and tax system, there are no provisions for "intellectual contributions" from outside the company.

That is why, in order to encourage the stimulation of companies by a new flow of technical or scientific know-how, consideration is being given to approving a new kind of support. It would involve authorizing contracts of association in terms of "intellectual capital" [capital matiere grise].

There would be three partners in such a program:

—An inventor, a researcher, or a university figure who wishes to provide his or her intellectual potential and experience to a given company;

—A company which wishes to apply in the industrial or sales field the fruits of technical and innovative work and is prepared to open its doors to an inventor, a researcher, or a university figure;

—A financial partner, such as an innovative finance company, ready to assume part of the cost of developing an invention, in return for sharing in the eventual sales results. The risks would therefore be shared between the SFI [innovative finance company] and the company involved in the production or sales of the invention.

If the agreement between the three partners is approved by the competent authorities, the capital contributions at the time of the increase in the capital of the innovative finance company would benefit from a one-time deduction of 75 percent.

(3) Development of Mutual Investment Funds

The government objective is to provide guidelines for the pooling of stable, individual savings, directed toward increasing the capital of companies whose shares are not quoted on the Stock Exchange.

Measures for encouraging such funds would be subject to two new conditions:

—The funds must be set up with contributions in significant proportions from companies not quoted on the Stock Exchange and which constitute increases in capital;

—The capital contributions cannot be withdrawn for a period of 5 years;

In this connection individual investors [personnes physiques] would be exempted from:

—Income tax on dividends made on capital reinvested in such funds;

—Added value on the withdrawal of capital after the 5 year period is over.

III - Measures to Encourage Salary Savings

(1) Improvements in the Arrangements Covering Salary Savings

As provided in Article 76 of the budget [Loi de Finances], the mutual investment funds will benefit from two changes:

—Resources invested in the company within which the salary savings fund has been set up will benefit from general insurance on salaries (in the case of the deposit of funds set out in the balance sheet);

—The salary savings fund may make loans to companies not listed on the Stock Exchange, using mutual investment funds provided for this purpose.

(2) Withdrawal of Capital from a Company by Its Salaried Personnel Will Be Possible

In foreign countries there are several variants on this formula. One such variant is as follows:

—The establishment, by an association of salaried personnel of a company, of a holding company financed by the personal contributions of the personnel, preferred stock purchased by finance companies, and loans;

—Progressive acquisition by the holding company of the majority or all of the shares in the company, with the dividends on these shares used for the repayment of company debt;

—Liquidating the holding company when the process of taking control of the company has been completed.

This system, which is only workable if the company taken over is making a profit and if the holding company can dispose of the preferred stock, is faced with several tax obstacles which the government proposes to remove. The tax arrangements under consideration involve three essential aspects:

—When the salaried personnel hold more than 50 percent of the voting shares in the holding company which is to be used to take over the majority of the shares in the company concerned, the holding company will be eligible for a repayable tax credit;

—To prepare for and facilitate the assumption of control of the company, the tax arrangements applicable to deductions for loan interest paid, for value added, and for registration duties will be taken care of;

—The arrangements applicable at the time of the amalgamation of the holding company and the company taken over will ensure no addition to tax liability as a result of this operation.

(3) Applying the Legislation on Plans for Subscribing or Purchasing Shares by Company Salaried Personnel

The present system, which is a result of the provisions of the Budget Law of 1970, is complicated and seldom used. It is proposed to improve it in legal and tax terms.

(a) In legal terms, three steps to facilitate the use of the system are envisaged:

- The cost of purchasing shares under stock options will be reduced; it could be set at 90 percent of the average quotation on the Stock Exchange preceding the grant of the stock option;
- There will be additional possibilities for making use of the stock option; options on stock in direct or indirect subsidiary companies could be made available;
- The range of beneficiaries will be expanded in case of the take-over, establishment, or inheritance of a company.

(b) In tax terms, three improvements have been made:

- The period of time which salaried personnel must hold the stock in order to be eligible for exemption from income tax will be reduced from 5 to 3 years;
- Only actual profits made on the stock will be liable to tax under an arrangement which takes into account the length of time the stock was held;
- For companies the difference between the subscription price and the quotation of the stock on the Stock Exchange may be deducted from the taxable income of the company.

IV - Accompanying Measures for Industrial Restructuring Reserved for Standards of Conversion

(1) Taking Into Consideration Reports of Losses by Companies in Difficulty in the Event of Take-Over

In order to facilitate the restructuring of our industrial fabric in areas with high unemployment, it is proposed to permit the transfer of the deficit of the company in difficulty to the profits of the company which participates in the take-over.

This measure, which represents a clear break with the principles of French tax legislation, is limited to certain areas of the country and will be applied under a strict procedure to be agreed upon. This procedure would be implemented in terms of the size of the project under consideration and the direct financial burden assumed by those taking over the company, at the time of the establishment and during the development of the new company.

(2) Broadening the Notion of a New Company

The government has already approved a number of measures favoring the establishment of new companies. In this connection, in particular, a 3-year exemption from the tax on professions has been approved for industrial enterprises, as well

as an exemption for the same period of time from the tax on profits, in addition to a deduction amounting to 50 percent of taxable income.

To reflect continuity in the efforts made in favor of new companies, these measures will reportedly be applicable to companies established in 1985 and 1986, as the present measure only applies to companies established in 1983 and 1984.

Moreover, in case of the establishment or take-over of companies in areas with high unemployment, the present rules, which exclude from these measures companies controlled by other, existing companies, will reportedly be adjusted.

(3) Tax Incentives on Gifts for Associations Participating in Job Creation Activity

This program reportedly involves extending tax deductions to companies for gifts made to non-profit organizations whose purpose is to encourage the establishment of companies and the creation of jobs.

Tax deductions under this provision reportedly will be increased from 1 percent to 2 percent of company turnover for gifts to associations organized specifically to participate in the establishment of companies in areas of high unemployment.

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CSO: 3519/289

BRIEFS

TALBOT'S BRITISH SUBSIDIARY REVIVES--Talbot Motor Company, the British subsidiary of the Peugeot-Citroen group, has registered net profits of 3.142 million pounds for the first time in 10 years, according to an announcement made by management on Tuesday. Talbot Motor showed losses of 54.748 million pounds in 1982, made up by the parent company. The subsidiary recorded total sales of 558.7 million pounds in 1983, as compared to 417.6 million in 1982. There was an operating surplus of 17.987 million pounds, in contrast with a loss of 25.654 million pounds, before financial charges, extraordinary expenses and taxes. The return to profitability at the hands of George Turnbull, the current CEO, is the result of a drastic reorganization which entailed closing down several plants. The upswing in 1983 was also favored by the boom on the British automobile market and by increased orders from Iran. The subsidiary's sales of private cars increased by 5 percent in Great Britain compared to 1982, while sales of light-weight commercial vehicles improved by 58 percent and deliveries of cars to the Iranian firm, Iran Khodro nearly doubled in a year to total 87,840 units. Two weeks ago, Talbot Motor announced a 20 million pound investment to modernize and re-equip its plant in Ryton, near Coventry, to assemble the new medium-sized engine (c28), which the group must launch simultaneously on the French and British markets at the end of 1985. [Text] [Paris LE ECHOS in French 22 Mar 84 p 13] 9805

CSO: 3519/283

CENTRAL PLANNING BUREAU ON ECONOMIC PROSPECTS

The Hague ANP NEWS BULLETIN in English 24 Mar 84 pp 1-2

[Text] The Hague, 23 Mar--Unemployment in the Netherlands will rise to at least one million by 1987, and the Dutch Government will not be able to achieve its target of reducing the budget deficit to 7.5 per cent of national income by then, the Central Planning Bureau (CPB) said today in a major new report.

The report, sent to the Second Chamber of Parliament by the cabinet this afternoon, spells out prospects for the Dutch economy over the next three years.

Dutch unemployment, which rose last year to more than 800,000, the second highest level in the Common Market, will hit between 1,000,000 and 1,090,000 by 1987, the report warned.

The budget deficit could not be reduced below nine per cent at best, if the government went ahead with cuts of 8.7 billion guilder in 1985, 7.3 billion in 1986 and 7 billion in 1987, it said.

Two Forecasts

The report made two separate forecasts, one based on a pessimistic view of world economic developments, involving increasing protectionism, limited price increases, falling oil prices and interest rates remaining high. The other was based on assumptions that restrictions on international trade would not increase, that prices would rise, oil prices would fall relatively slightly, and interest rates would fall.

Even under the optimistic forecast, dubbed the 'high growth scenario,' there would be no new expansion of job opportunities, though unemployment would rise at a slower rate. A high level of growth in world trade would, however, mean that Dutch industry could look forward to growth through a rise in exports, and a growth in productivity of 1.5 to 2 per cent.

Industry could also expect higher profits, with the amount of income to be spent on wages falling from about 90 per cent last year to 83 per cent in 1987, and industrial investment could be expected to grow by a relatively high five per cent per annum.

A reduction in real incomes, however, would lead to a drop in consumption by about one per cent per year, and lead to a rise in the current accounts surplus.

Pessimistic Forecast

Under the more pessimistic forecasts, industrial production would be approximately 1 per cent lower than in the high-growth predictions, at 0.5 to 1 per cent.

Price levels, which remain steady under the optimistic forecast, could fall, and both exports and investments would be lower, export volumes by 1 to 1.5 per cent, and investments by 2.5 to 3 per cent.

Unemployment would be at between 1,080,000 and 1,090,000 rather than at 1,000,000, and the budget deficit at 10.5 to 11 per cent of national incomes, rather than at 9 to 9.5 per cent.

Cabinet Stands Firm

Economic Affairs Minister Gijs van Aardenne said in accompanying letter to MPs that the cabinet would persist in its three-fold policy aimed at 'healthy government finances, recovery in industry and improvement in job opportunities.

The cabinet felt that there were signs to show that the 'high growth scenario' was the more realistic of the two forecasts put forward, he said, although a more mixed picture could not be ruled out.

He stressed that it was possible that, if wages leveled out in real terms, particularly if this was coupled with an increased differential between wages and labour market flexibility, then the unemployment situation could see considerable improvements.

'Orientation'

The minister warned that the figures were projections, and that economic developments in practice were extremely difficult to forecast with accuracy. The report should simply be seen as having an 'orientation' significance, he said.

The cabinet nevertheless concluded that its current policies were the minimum needed in order to bring down the budget deficit and reduce the burden of taxes, he said.

It has not yet ruled out further adjustments in future, he warned.

The predictions of unemployment stressed that this problem, particularly with regard to young people, had to be tackled.

The cabinet, he said, would be considering the effects of policy in Spring talks with employers and unions, as well as the rate at which the budget deficit should be reduced.

ENVIRONMENT MINISTER ADMITS PROBLEMS WITH HAZARDOUS WASTE

Copenhagen BERLINGSKE AFTEN in Danish 23-29 Mar 84 p 6

[Article by Axel Pihl-Andersen and Anette Andersen: "The Spring Brings New Disclosures of Hazardous Waste Dumps: Environment Pot Kept Boiling"]

[Text] With disclosure of the hazardous waste dump in Hvalsø, the NOAH [expansion unknown] environment organization has focused on the authorities' failing control over chemical waste. "We have discovered that the municipalities have made a quite varied effort as far as the inspection duty is concerned," Environment Minister Christian Christensen admits.

Just as the public and the authorities thought that hazardous waste dumps were in good custody, the chemical detectives from the NOAH environment group came and riddled the environment authorities' difficult job in mapping the country's poison dumps.

"What we are seeing now is only the tip of the iceberg. And we have new disclosures on the way. Just wait a couple of weeks. It will be worse than what we saw in Hvalsø," Jens Andersen of NOAH/Glostrup says.

The media were favored a few weeks ago when NOAH disclosed that Superfos Glasuld [Glass Wool] A/S for over several years had illegally unloaded chemical waste at a dump in Hvalsø a few meters above Copenhagen's drinking water. And the Hvalsø dump was not exactly on the authorities' black list.

After extensive demonstrations by residents, the dump in Hvalsø was closed, but the avalanche rolled on and the press came almost daily with new disclosures of illegal disposal of chemical waste, which in no uncertain terms demonstrate that the legislation in this area is not functioning as intended. Kommunekemi [municipal chemical waste treatment facility] in Nyborg estimates that about 30 percent of the chemical waste of businesses--about 20,000 tons a year--evades the system and disappears illegally.

Briefly, the "environment pot has begun to boil," as Environmental Protection Administration Director Jens Kampmann expresses it, and the Environment Ministry has been busy issuing directives to the municipalities and together with the National Association of Municipalities has just appointed a work group

with Kampmann as chairman. It is to come with proposals before the first of May as to how control over hazardous waste is to be made effective.

"We are quickly approaching the day when a glass of water will cost more than a glass of champagne," Jens Andersen of NOAH/Glostrup thinks.

Legislation and Mapping

"The chemicals proclamation of 1976 has not functioned satisfactorily when we see that a large part of the waste does not come to Kommunekemi," Environment Director Jens Kampmann says.

The law regarding the disposal of petroleum and chemical waste was passed in the spring of 1972 and it ordered firms to report all petroleum and chemical waste to the local municipal administration. Later the law was stiffened with a proclamation from 1976 which makes the municipalities responsible for pointing out methods of putting the waste out of the way.

For one thing, against the background of pollution cases like Harboøre, Tange and Lyfa in Ballerup, the Environmental Protection Administration in the fall of 1982 began a mapping of all dumps which are suspected of having been used for chemical waste during the period 1945-1976. The mapping was performed in cooperation with counties and municipalities. The Environmental Protection Administration published the mapping last year. It resulted in a new law regarding chemical waste dumps. The law is to ensure that extensive and costly cleanup work gets started. Four hundred million kroner have been set aside for this over a 10-year period.

Effort of Municipalities

An important item of criticism is the municipalities' rather varying effort in tracking down hazardous waste dumps.

The geographical distribution of the registered dumps can immediately give the impression that individual counties have had an especially high concentration of polluting firms. But critics refer to the municipalities' drastically different working methods in mapping. Some have followed the Environmental Protection Administration's intentions exactly and registered all conceivable chemical dumps in their search work, while others largely speaking have limited themselves to registering already known dumps.

Three thousand one hundred and fifteen dumps were registered, all of which are from the period 1945-1976, when the proclamation regarding chemical waste went into force. Six hundred and sixty-two of the dumps are characterized as unsafe, while it is known with certainty that chemical waste has been deposited at 515 dumps.

The chemical-filled dumps are divided into five groups, ranging from dumps which directly threaten the ground water to dumps which are estimated to be not dangerous.

The registration shows that there are 114 dumps which must be cleaned up immediately and 266 where further studies are required.

"But the 501 registered chemical dumps unfortunately do not suffice. There are many more, and the Hvalsø case emphasizes the necessity of something's happening now," Environment Minister Christian Christensen (Christian People's Party) says.

The law regarding removal of chemical dumps orders the counties to come with a recommendation to the Environmental Protection Administration regarding when the cleanup is first to begin. In Århus County, for example, 1.5 million kroner have been set aside for studies in 1984, and the effort is being concentrated on six dumps for the present.

A total of 380 dumps have been registered in the county. Twenty-seven belong in the category which menaces water resources and they must be cleaned up as quickly as possible. There are 120 dumps where it is not yet known what is concealed beneath them, and 233 where there is no chemical waste.

The studies are to clarify which chemicals are in question and how widespread the pollution is. The cleanup itself in chemical-filled dumps will begin first in 1985.

The Hvalsø case is an example of the fact that the mapping is not equivalent to knowing all chemical dumps. For example, phenol-containing glass wool was first dumped after 1976, when the proclamation regarding the disposal of chemical waste went into force.

Firms were legally obligated to report all chemical waste to the municipalities and to get rid of it according to their instructions. That is, in practice, delivery of the waste to 21 receiving stations in the country and further transport from there to Kommunekemi in Nyborg.

It is the municipalities which are to check that firms report on and deliver chemical waste. The counties are keeping an eye on the municipalities and the Environmental Protection Administration has the responsible inspection duty. But the control is not effective, and many municipalities have not lived up to their inspection obligation.

"In spite of close cooperation with Kommunekemi, there is still a difference of about 30 percent. We do not know what is becoming of it. We have discovered that the municipalities have made a quite varied contribution as far as the duty of inspection is concerned," Environment Minister Christian Christensen says.

The regional differences can be seen directly from deliveries to Kommunekemi. Even allowing for differences in the makeup of industry, there are marked differences from county to county. Funen County is right up on top with almost 350 kilograms of petroleum and chemical waste per worker in industry, while Viborg County is creeping below 50 kilograms. The national average is 180 kilograms per worker in industry.

MINISTER CRITICIZED IN PARLIAMENT FOR POLICY ON ACID RAIN

Copenhagen BERLINGSKE TIDENDE in Danish 29 Mar 84 p 7

[Article: "Environment Minister Under Fire"]

[Text] Environment Minister Christian Christensen's review of acid rain received rough treatment in yesterday's Folketing debate.

Vague and, also, too few concrete suggestions for solving the problem. This was briefly the criticism a majority in the Folketing raised yesterday when Environment Minister Christian Christensen's review of acid rain was under discussion in the Folketing.

Both the Social Democratic Party, the Socialist People's Party, the Socialist Left Party and the Radical Liberals agreed that it was too little to reduce sulfur emissions by 30 percent in Denmark up to 1995, which was the recommendation in the acid rain committee's report regarding reduction of the sulfur content in the air.

"The environment minister is attempting to give the impression that Denmark is a pioneer country as far as efforts to limit sulfur emissions are concerned," Margrethe Auken (Socialist People's Party) said. "But the truth is really that Denmark is a third-rank country, for both Sweden and West Germany have gone through with far more drastic restrictions. In the EC directorate twice as large a reduction is suggested as in the Danish proposal."

Social Democratic EC Parliament Member Eva Gredal commented on the report by saying that a poor bit of work had been done previous to the legislation and that lower requirements could hardly be imposed for the fight against pollution.

"The reason that we want sulfur emissions limited by 30 percent is that we do not want to risk the 'weak' countries' deserting," the environment minister said. "The problem must to a great extent be solved internationally."

Niels Ahlmann-Ohlsen (Conservative Party) in his spokesman's speech also pointed out the importance of international cooperation in the pollution question.

PROHIBITION AGAINST FLUOROCARBON IN SPRAY USES EXPECTED

Copenhagen BERLINGSKE TIDENDE in Danish 31 Mar 84 p 3

[Article by Jens Juul Nielsen: "Ban on Way Against Agent in Spray Cans"]

[Text] A ban against an agent in deodorants and hair sprays, etc., is now on the way from the Environmental Protection Administration.

In question is the agent chlofluoroca, which is normally called CFC. It has for many years been accused of contributing to destroying the ozone layer in the upper atmosphere of the earth. If the ozone layer is destroyed, the harmful portion of the sun's rays will pass through the atmosphere and this will cause skin cancer in humans.

The Environmental Protection Administration's proclamation does not mean, however, that most spray cans must be taken off the market. A large part of the industry has already turned away from CFC, since it has already been banned in, among others, the USA, Sweden and Norway. CFC is, incidentally, more expensive than other agents, but on the other hand it is often better suited.

Henri Heron, an engineer in the Environmental Protection Administration's chemical hygiene control division estimates that about a third of all spray cans will be affected by this new ban.

"But the majority of these will be able to use another agent. The only consequence will be that the spray will be a little wetter. There will be a very small remaining group in which no replacement can be found for CFC," Henri Heron says.

However, the Merchants' Guild is opposed to the bill. They believe that the bill is a serious mistake which means that in the future propellants will be used which are considerably more dangerous than CFC.

The Environmental Protection Administration has worked on the bill for over two years. It is expected that it will go into force in the middle of 1985. Henri Heron of the Environmental Protection Administration emphasizes, incidentally, that the possibility has been opened up for exemption in those cases in which it is strictly necessary that CFC is used. This concerns, for one thing, lubricants for industry.

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